**Reference call for Centurion with Ranjan Bhaduri – 10/24/14 – 1:30pm**

Ranjan is the Chief Research Officer for Sigma Analysis & Management. Ranjan has not conducted due diligence on Centurion, but has overall heard good things about them from his peers and has noted their success in raising assets during a challenging time for the industry. One area he recommended to inquire about was Centurion’s relationship with Jason Leupold, an ex-Crabel employee who worked with Centurion in some capacity early on but apparently had a falling out with the Centurion team. The concern would be the potential for an intellectual property lawsuit. Jason now runs his own short term trading strategy out of Denver, CO.

**Reference call for Centurion (Umran Zia) with Jasper Chua – 10/24/14 – 2pm**

Jasper is the Americas Head of FX Prime Brokerage at Newedge and worked for Umran Zia at BAML. Umran is someone that Jasper looks up to as a business person and he considers Umran a mentor. He said that the FX prime brokerage business at BAML flourished under Umran’s lead and that Umran became one of the youngest Managing Directors within the company. Jasper said that Umran always took care of his employees, which grew to 15 people at one point, and that everyone on the team loved working for him as evidenced by the lack of turnover during his tenure. He recalled that Umran was offered the higher status Head of Equity prime brokerage position prior to leaving the firm, and while he was not certain why he left BAML he always saw Umran as an entrepreneur not a banker.

Jasper noted that Umran has a methodical, but “non-conforming” process and takes a different angle than other people he has worked with over the years. He characterized Umran as charismatic, which can be a double-edged sword. He added that some of his peers didn’t like him because he wasn’t afraid to be straight forward and wasn’t always diplomatic, still he was well respected within the firm and clients always loved him.

**Reference call for Centurion with John Fidler – 10/27/14 – 2pm**

John has managed a multi manager CTA portfolio for RQSI (Ramsey Quantitative Systems Inc.) for 10 years. He focuses on niche and emerging managers, and does some “day one” investments. He said they “basically seeded Centurion.” Neil Ramsey, the company’s CEO, was an early investor in Crabel and knew Stefan Behling well. RQSI is no longer invested with Centurion, they were invested from the inception of the strategy in August 2012 through May 2013. John said they had a “fine experience and made money while invested,” but fully redeemed because they had too much exposure to short term traders and thought other managers were better. John doesn’t think they would invest with Centurion again unless their R&D was improved. He added that he continues to monitor their performance which has been “better than most,” and he has been surprised by their success raising money.

John sees Stefan as an experienced short-term trader who knows what does and doesn’t work, which he sees as a huge edge because there are so few successful short-term trading shops and so few dyed in the wool industry veterans. John said that Centurion’s proprietary research platform is a positive for the firm, and he likes that they can analyze a portfolio of models rather than models in isolation. He also added that Centurion is part of the industry trend of going to all cloud based systems and away from in-house servers which older groups are even moving away from now. Regarding weaknesses, he does not think that Stefan is “that great at execution”, which John doesn’t think is an issue at the strategy’s current small size, but questions at what point slippage becomes an issue. John said that they were aware of the potential execution issue going into their investment, it was not a surprise, and they knew Stefan was not best of breed at execution at Crabel. He also heard from others that the execution at Crabel got better after Stefan left.

John does not see a high level of investment risk with Centurion, and while he doesn’t think they are the best manager in the short term trading space he thinks they will do “ok” over the next five years. However, they did come across a “few yellow flags” in terms of business risk. One was that they felt Centurion was overstating Stefan’s experience at Crabel in their materials, they discussed this with Umran and the language was later watered down. Another was their belief that there was a “non-zero chance of legal risk should Crabel ever claim that code was taken from them and implemented at Centurion.” He added that he has no reason to believe that Stefan stole any of Crabel’s code, and that it would be tough to ever prove. Another business risk is Centurion’s relationship with Jason Leupold, his departure was not amicable and there is some potential for an intellectual property lawsuit given that Jason claims to have helped design the Centurion systems. Jason’s time with Centurion predated RQSI’s investment and from what they understand Jason was not a “key guy”. John closed by saying that he always liked Stefan and found him to be an honest, straightforward guy, and that what Stefan has built is consistent with his experience.

**Reference call for Centurion with Ron Breitigam – 10/28/14 – 2pm**

Ron spent most of his career as the manager of Eclipse Capital’s 24 hour trading desk, a position he described as very similar to Stefan’s role at Crabel. In this role he knew Umran as an FX prime brokerage customer and knew Stefan as a peer within the industry that he used to compare notes with.

He sees Umran as a good salesperson even though Umran doesn’t like that label. He also thinks that Umran has good management skills and noted the minimal turnover on his team at BAML. He believes Umran has a pretty good reputation from his time at BAML and previous FX prime brokerage positions. Regarding weaknesses, he thinks that Umran can have an aggressive posture. For Centurion, he thinks Umran’s presence in New York is a positive. He added that he thinks Umran handled “the whole New York situation well.” When asked to elaborate, Ron explained that he believes Umran initially thought that Stefan would move to New York to build and run the business from there.

Ron said that Stefan has a stellar reputation in the futures world. Ron saw Stefan’s role at Crabel as running trade implementation, not running model development, but he still believes that Stefan has experience with model development from his time at Crabel as feedback on the models from the frontlines of trading was built into their process. Also, Ron thinks that Stefan was highly exposed to model development early on as one of Crabel’s first few employees, but recognizes that may have declined later on. He thinks that a contributing factor to Stefan’s departure from Crabel was Stefan’s preference for short-term strategies and Toby Crabel’s desire to move into longer-term strategies. Ron sees the true test of a systematic manager as what they do during a drawdown, he thinks that Stefan has done a good job by making small enhancements and has shown that he isn’t so stubborn to just stick with the same idea. Regarding trade execution and slippage, he noted that Stefan has been smart to focus on highly liquid markets and the strategy has been a mix between being a liquidity provider and liquidity taker, but he thinks slippage could be an issue past $700mm in AUM for this type of strategy.

Ron said that he is a big fan of the Centurion team and that both Umran and Stefan have been “tried in the fire”; Stefan with his successful career at Crabel under a peculiar owner, and Umran with managing a business through 2008, the BAML merger, and handling the exposure to the rogue trader from Baltimore (a reference to John Rusnak, a former currency trader at Allfirst bank would was sentenced to 7½ years in prison in 2003 for hiding US$691 million in losses at the bank in 2002).

Ron also helped the Centurion team find a seed partner early on. He recalls the deal in addition to capital included a 10-15% revenue sharing agreement. While he wouldn’t confirm the entity that provided Centurion with seed capital, he said that “Neil” (likely Neil Rasmey, President of Ramsey Quantitative Systems Inc. (RQSI)) has a “volatile personality” and decided to redeem within the first year. Ron would not go into further detail on the topic.

**Reference call for Centurion with Desmond Werthman – 10/28/14 – 4:30pm**

Desmond manages a fund of funds at Madra Asset Management that currently invests with Centurion. He has allocated to CTAs since 1994. He found Centurion through a friend that used to work at Stark Investments in Milwaukee and knew Stefan. He has been invested with Centurion since November 2012, just a few months after the strategy launched. He was not an investor with Crabel, though he did meet with Crabel several times in the past. Desmond works one hour south of Milwaukee and has been onsite with Centurion and had a favorable opinion of the team. He also added that they have been good to work with from a client’s perspective.

Desmond views the risks within the short-term trading space as managers that stop doing research and managers that are really just short-term trend followers which won’t help you when it is need most - when trend strategies are down. With Centurion, he watches the daily interaction with trend following strategies and does see the diversification benefits.

Centurion is one of his larger allocations and they run the account 1.25x to 1.4x levered. He said that the program’s 6% volatility target is just too low, but he “gets it, they get the most fees that way”. July 2013, the strategy’s worst month, still stands out to him. He saw the strategy decline sharply late in the month, but noted that other short term traders were challenged then as well. Following the negative performance that month, Centurion added a volatility filter with the intention of reducing future downside risk. Desmond initially thought it would also reduce the upside of the program. He has continued to ask the Centurion team about it, and they say it hasn’t affected the upside. Desmond said he hasn’t found hard evidence that it has or has not limited the upside.

**Reference call for Centurion with Steve Brechtel – 10/29/14 – 11:30am**

Steve worked for Stefan as a trader at Crabel from 2004 to 2009. He recalls that Stefan managed 22 or 23 people as Director of Trading of the 24 hour trading desk. Steve was the Asia shift manager, reported directly to Stefan, and had four traders working for him. He said that Stefan was very hands on with all of the shift managers and that Stefan would call in almost nightly during the Asia shift. Stefan also required weekly in-person meeting, which he said is very different from other managers he has worked for who do everything over the phone with the Asia shift. Steve also worked on the trade automation project with Stefan, and said that Stefan gave him full ownership of the project but still required updates every two weeks. He never saw Stefan as a micro manager, and appreciated his interest in what was going on. Steve saw the trader role at Crabel was a unique blend of trading and research. Stefan and Alden (likely Alden Melbourne – Crabel’s Director of Research) oversaw the process between the traders and the research department, though he saw Alden as the real “policeman” of the process. Steve also worked with Bill Tiedt, Centurion’s Global Head of Trading, at Crabel. He recalls that Bill was manager of equities at Crabel and was a very good, well respected guy.

Regarding Stefan’s departure from Crabel, Steve said that Crabel was used like an ATM during 2008 and Stefan was let go during the first round of layoffs at Crabel in 2009. Steve said he never would have expected Stefan to be laid off and suspected that Toby Crabel was letting go some of the highest paid people. Of Toby, he said that you can’t trust him, but he comes off as your best friend.

When asked if he had any reason to believe that Stefan would have taken any code from Crabel, Steve said that he couldn’t have taken anything since he was let go out of the blue and that Crabel’s HR was constantly policing email. He said that a lawsuit may have been possible in 2010, but he thinks that Toby has probably moved on, also around the industry intellectual property lawsuits aren’t likely after one year. He sees Stefan as a loyal and honest person.

Steve also worked with Jason Leupold at Crabel and still considers him a loose personal friend. Two years ago Jason told Steve that Stefan had cut him off and took his strategies and ran. He has also talked to Stefan about the situation and Stefan said that nothing ever happened, but they did meet at a coffee shop regularly. Steve said that the strategies Jason created at Crabel never really worked, couldn’t cover slippage, and were eventually phased out. He thinks Jason suffers from delusions of grandeur and is now bothered by Centurion’s success. He also remembered a time that Jason got in trouble at Crabel for calling in an S&P trade from a bar on his cell phone on an unrecorded line. Steve added that Jason was eventually laid off for not doing his work and his team said that they would rather do their job with one less person. In closing he said, “Jason is kind of a joke.”

**Reference call for Centurion with Kathryn Daley – 11/4/14 – 11:00am**

Kathryn was the President and COO of Crabel Capital Management from 2001 to 2011. Kathryn said that she does not typically do reference calls for Stefan. She began by noting that there was court case between Stefan and Crabel after his departure. She believes that Crabel should not have lost the case and noted that it is very challenging for employers in Wisconsin to win such cases. Regarding Stefan time at Crabel prior to 2009, she said that he was “not involved in research at all” and was the firm’s Head of Trading with a focus on execution. When asked if he sat on the firm’s research committee, she said that everyone in firm could attend the committee’s meetings. Regarding his departure from Crabel in 2009, Kathryn said that the firm as a whole needed to make big changes, they didn’t feel Stefan was the right person to lead those changes, and Stefan was part of the first round of layoffs for trading desk personnel. She felt that the firm was moving towards automated trade execution systems and Crabel needed people with the right technical ability to oversee such systems. She recalls that in 2009 Toby Crabel looked to retain individuals with a research focus and the right technical ability. She said she had no comment on way or the other on Stefan as a professional. She suggested we speak with Jason Leupold, and admitted to not knowing the facts, but heard that he worked with Stefan after leaving Crabel, that their relationship ended badly, and there were claims of dishonesty. Kathryn said she had an overall good impression of Mr. Leupold and noted that he was not a part of the firm’s first round of layoffs as Stefan was.