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LONDON – MOSCOW – NEW YORK

Hedge Fund Investment Due Diligence Report
GeTeck Fund I

March 2019



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SUMMARY

Firm Name:	GeTeck UK Ltd., a Geteck Group Company
Fund Name	GeTeck Fund I
Fund/Strategy Assets	\$ 30 Million
Style	Alternative Asset Management
Date	March 2019
Location	London, United Kingdom

People and Organization

GeTeck UK Ltd. (“GeTeck” or “the firm”) was founded in 2012 in UK and is run by a team of professionals headed by Eng. Domenico Marzia, an experienced investment and financial manager. GeTeck currently manages \$ 30 million in committed capital with aim to highly increase the capital in 2019 and following years. The firm is registered in Southsea, United Kingdom, and operates principally from London, with additional offices located in Milan and Dubai.

Investment Strategy and Process

GeTeck is an Alternative Asset Management company. The fund strategy is primarily to pursue investments in opportunistic, internationally provided tangible assets and projects across industries and geographies, with high returns over mitigated risk. The fund is continually focusing on to diversify its risk, allowing for part of its committed capital to be invested in equities, commodities, stock and/or bonds. The fund will have an allocation of minimum 80% in projects, with a maximum of up to 20% invested across financial markets and financial securities.

Fund Classification and Regulatory Environment

The management is heavily investing directly into its own fund hence GeTeck Fund I can be classified as a typical Hedge Fund. Hedge funds have no interest to be regulated by financial regulatory bodies since those decrease elasticity and time efficiency in terms of capital management which is instead essential for a Hedge Fund in order to act quickly on the market. Nonetheless GeTeck as per its corporate governance guidelines document operates under the rules and regulations of the Financial Conduct Authority in the UK

Performance

GeTeck is a new fund so there is no current performance history. Performance forecasts that the firm wants to achieve are as follow:

- The fund’s annualized return forecast is of 10–12% for the next 5 years
- The fund aims to exceeds the HFRI Fund Weighted Composite Index and the HFRI Macro (Total) Index
- GeTeck aim to rank in the top 20th percentile of all hedge funds.
- GeTeck aims to reach a fund’s Sharpe ratio greater than 1.

Risk Management

The risk management process is systematized within the fund’s model. In contrast to many trend-following CTAs, GeTeck does not use stop losses to manage risk. The fund aims to mitigate risk by dynamically sizing positions based on signal strength, volatility, and liquidity but mostly by diversifying risk across a larger number of markets and investments. The firm has a dedicated risk management team that measures and monitors portfolio risk.



Operational Analysis

GeTeck's team of operations professionals has strong experience in building quality processes and controls. At present and given the current targets of investment the firm is not using any automated trading systems. On the contrary investment are very selectively chosen by the management and only after a severe DD those becomes targets for the fund. At the moment 100% of all trades in the projects are executed with manual intervention. No material departures from best practices can be identified at the moment. In the future GeTeck with the increase of its size is interested in developing a high trade volume and algorithmic trading strategy and the firm may consider a substantial investment in building out a highly professional tool. This will grant an even more diversified investment strategy and will lower even more the fund's risks.

Investment Terms

GeTeck's fees are similar than other CTAs and the liquidity terms are investor friendly. GeTeck charges a 2% management fee and 25% performance fee, which are in line with the typical values. The Fund is investing in illiquid assets so liquidity terms may permit monthly liquidity but there is an early termination fee and there is a lock up.



CHECKLIST

FLAG			SECTION
1		Corporate Registry Verification	Management Company and Affiliates
2	NA	AUM Verification - Administrator	Assets under Management
3	NA	AUM Verification - Transparency Report	Assets under Management
4		Ownership Verification	Ownership
5		Human Resources Verification	Human Resources
6		Verification of Regulatory Requirement / FCA Code of Conduct	Oversight
7		Hedge Fund Standards Board Verification Regulatory (SBAI)	Oversight
8		Verification of compliance consultant	Compliance Infrastructure and Policies
9		Information Technology Verification	IT Overview
10		Corporate Structure Verification	Legal Structure
11	NA	Corporate Structure Verification - CIMA Legal Structure	Legal Structure
12	NA	Counsel Verification	Service Providers
13		Administrator Verification Service Providers	Service Providers
14		Auditor Verification Service Providers	Service Providers
15		Administration agreement verification Service Providers	Service Providers
16		Verification of Directors	Corporate Governance
17		Track Records	Investment Strategy
18	NA	Prime Brokers, Custodians and Counterparties Verification	Prime Brokers, Custodians and Counterparties
19	NA	Counterparty Verification	Prime Brokers, Custodians and Counterparties
20	NA	Auditor and Audit Opinion Verification	Auditor and Audit Opinion

LEGENDA

	Due Diligence outcome is positive		There may be a critical issue
	The point may need attention but DD is still positive	NA	Not Applicable - The point does not apply to the fund or this can be a new fund with no performance records



RECOMMENDATIONS

GeTeck Fund is a NEW fund aimed to invest in a variety of sectors and focused in growing countries especially LATAM and MENA. The fund is managed by an experienced team of professionals which have different backgrounds and expertise ranging from financial investments, financing, restructuring, business management and some of them has also significant technical backgrounds.

The experience of the team based on the provided track record range from mid to large operations and investments with average size of the operations of about 300M USD. The team executed several financing and investment restructuring operations most of them in developing countries and in several sectors such Energy, Oil&Gas, Healthcare, Construction and Industrial.

For several operations the team provided financing through highly structured sources available in the financial market gaining a strong experience and track record in this area as well.

OUTCOME

Based on the data provided by the fund manager, on the track record of the team, on their specific expertise and given that the fund will invest primarily in the same sectors and area of experience that characterized the history of team, our Due Diligence on their newly created fund is POSITIVE.

Due Diligence details are shown in the following pages.



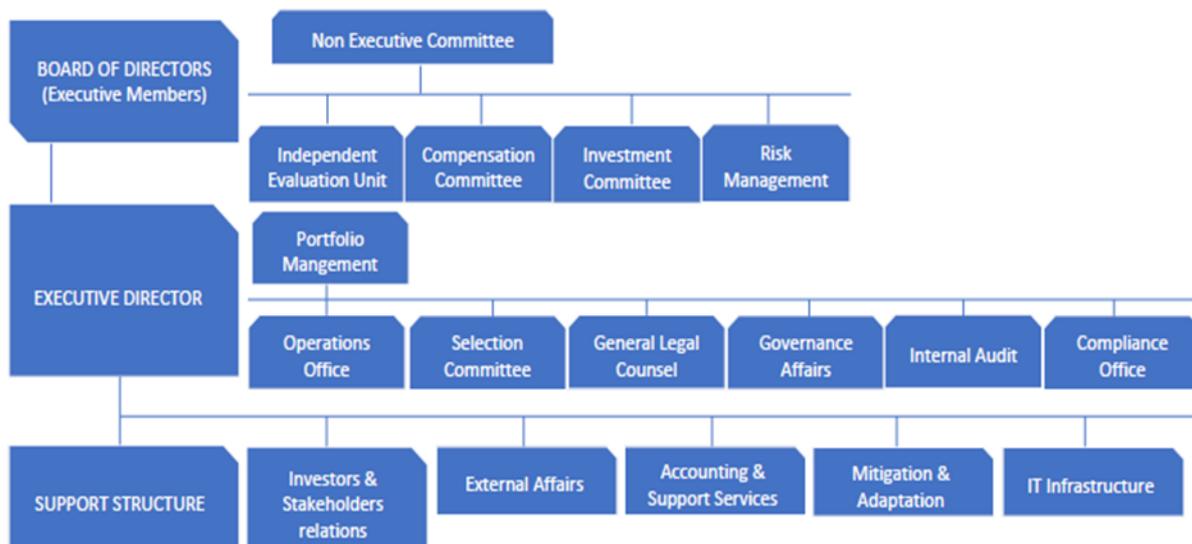
PEOPLE AND ORGANIZATION

GeTeck UK Ltd. (“GeTeck” or “the firm”) was founded in 2012 by Eng. Domenico Marzia, an electrical engineer with 25+ years of experience in the electrical industry, first as technical and later commercial director for the Italian subsidiary of ABB S.a.d. After this experience, in 2009 he decided to change his career and entered the investment and financial advisory sector. In 2012, along with Mr. Leonardo Ciccarone, founded GeTeck.

GeTeck currently manages \$ 30 million in committed capital. The fund is an Alternative Asset Management, investing in tangible assets and projects, as well as all asset classes including equities, fixed income, currencies and commodities. GeTeck is registered with the Companies House in the UK with registration number 07919762. GeTeck operates under the rules and regulations of the Financial Conduct Authority in the UK. The firm Auditors and Tax advisers are chartered members of MGI Worldwide – a Top 20 international accounting network of independent audit, tax and accounting firms. GeTeck is also registered at the International Chamber of Commerce, the Arab British Chamber of Commerce and at the Institute of Directors UK (IoD)

GeTeck investment process is characterized by a three–phases selection process: the Selection Committee, led by Mr. Gilberto Braha, specifically responsible for reviewing and monitoring asset classes and researching projects; the Risk Committee, led by Mr. David Ishack, carries out the risk assessment and valuation process of the operation; the Executive Committee (Board of Directors), led by Dr. Eng. Domenico Marzia, evaluates and has the final say on the execution.

Exhibit 1: Organizational chart



Key Figures

Dr. Eng. Domenico Marzia – Co Founder, Board Chair & Managing Director

Dr. Marzia holds a Bs Degree in Electrical Engineering and a successful entrepreneurial career spanning over decades. He has engineered, designed and implemented numerous large infrastructure, oil & gas and construction projects for partners like Rusgaz, Gazprom, Italian Ministry of Defense, Italian Military Marine,



ABB etc. Dr. Marzia has specialized in finance through consolidated partnerships in the UK and has achieved excellent results over the past 10 years, while activating in the financial & entrepreneurial sectors.

Dr. Corina Dimofte – Co Founder, Board Member & Investment Officer

Ms. Dimofte holds a Bs. Degree in Communications from the University of Bucharest and has specialized in Intercultural Communication in 2009 and in Behavioural Finance throughout the period from 2010-2017. She has successfully managed international stakeholders, projects & investments and has secured a privileged position for GeTeck throughout the Middle East and SE Asia. Ms. Dimofte also handles proprietarily opportunities in emerging and frontier markets on a global scale.

Leonardo Ciccarone – Co Founder, Board Member

Mr. Ciccarone holds over 40 years of experience in multiple business sectors including construction, real estate, commercial trade and international mediation. He has successfully facilitated numerous cross sector international deals and has been serving as Director of GeTeck for the past 5 years with significant contributions to the companies' growth, development and capital raising, as well as consolidation of the firms' UK regional and national presence.

David Ishack – Co Founder, Director/ Portfolio Manager

Mr. Ishack holds 20 years of experience in devising and implementing successful funding solutions and models. He has collaborated over the years with some of the largest property developers in the US and has privileged relationships in the U.S., Israel, North Africa and Malaysia. Mr. Ishack has 25+ years of experience researching and analysing investment opportunities in developed markets worldwide and has managed real estate & infrastructure investment portfolios since 1994.

Eng. Gianluca Mosca – Board Member & COO

Mr. Mosca is a dynamic, outgoing and accomplished global chief operating officer with extensive experience overseeing all aspects of management of multi-million-dollar projects. Over 14 years' international experience leading diverse teams in Europe, Asia and the Middle East. Established a reputation for consistently delivering outstanding business transformation projects by fully utilising strong strategic thinking, business planning and operational implementation capabilities. He successfully delivered several projects with a combined value in excess of \$ 2B.

Koenraad Praille – Analyst & ASEAN Director

With a back ground in economics and chemistry, Mr. Praille has gained his expertise in the nuclear, oil and gas industry over the years. Being active in the construction of the main equipment and long lead items, to this highly technical environment with its complex legal and financial implications and his long standing business development in SE ASIA, nourished his cultural comprehension of the SE Asian Pacific region and made him a valuable member of the GeTeck team. Mr. Praille's notable boasts:

- F4E – World Forum For Energy: representing the heavy industry in this forum to promote nuclear fusion;
- Nuclear Forum: Representing the heavy metal construction industry in this forum to promote the nuclear energy;
- Approval counselling for companies to enter in the manufacturing of Nuclear Components for EPR Nuclear reactor for Areva and EDF;
- Negotiator on international trade agreements between different states for the purchase of raw strategic materials;
- Lobbyist on 9%Ni material and implementation in the floating LNG industry.

Gilberto Braha – Board Member & Investment Manager

Gilberto has 40+ years of experience in the management of complex international relationships both in the Private and especially in the Public Sector. He has served as advisor for multiple Governments on policy & investments issues as well as strategic consultant for public-private owned Italian corporations in strategic sectors such as Oil & Gas and Resources.



Dr. Mark Campanale – Non-Executive Board Member

Dr. Campanale has thirty years' experience in sustainable financial markets working for major institutional asset management companies. He is also co-founder of some of the first responsible investment funds firstly at Jupiter Asset Management with Ecology Funds, NPI and Global Care, the AMP Capital Sustainable Future Funds, and Henderson Global Investors Industries of the Future Funds. He served on the World Business Council for Sustainable Development working group on capital markets leading up to the 1992 Earth Summit; was a Member of the Steering Committee of UNEP Financial Sector Initiative (1999-2003) and continues to advise a number of financial institutions including Tribe Impact Capital and Consilium Capital. Moreover, Dr. Campanale is a Founder Director of the UK Sustainable and Responsible Investment Forum (UKSIF), 1990-2006, is a member of the Advisory Council of ImpactBase.org; a member of the Advisory Board of the Gordon and Betty Moore Foundation's 'Conservation and Markets Initiatives'; a member of UNCTAD's Sustainable Stock Exchange's Green Finance Advisory Group; and is the Hon Treasurer of The Rainforest Foundation UK. Mark is also Founder of the Social Stock Exchange, funded by Rockefeller Foundation and more recently Big Society Capital.

Dr. Campanale has worked with GeTeck's Directors starting back in 2010 on a number of advisory opportunities of industrial nature.

Paul Taylor – Auditor

Mr. Taylor started his tax career in the mid 1980's and qualified as a chartered accountant and a chartered tax adviser, gaining experience with two large international practices. In 1996, he co-founded his own practice together with two partners and built the firm from the ground up to become a Top 100 practice with over 100 employees by 2010. Following a management buy-out of the company in early 2017, Mr. Taylor founded Freestone Jacobs to create a new firm to specialise entirely in tax advisory services and enable him to dedicate his time to performing the type of work that fully utilises the skills and knowledge he has built up over thirty years in practice. Throughout his career, Mr. Taylor has worked with a huge variety of clients and has developed an extensive knowledge of all tax issues affecting owner managed businesses ranging from complex company restructures to share options schemes to general lifetime tax planning. He works with the business owners/managers to offer bespoke solutions to their particular tax requirements.

Team Composition

While investing in tangible assets and projects will be the main business, the firm will invest part of its committed capital in securities. Three types of investment strategies have been studied and will be put into action. First, the "Green strategy", a low beta strategy that focuses on opportunities in the mean reversion of volatility and the mean reversion of returns (the "Long-Short Strategy"). Second, the "Blue strategy", that will aim to exploit the differences between the forecasted future volatility of a selected basket of assets and the resultant actual volatility of those assets. The third strategy, the "Special Events Strategy", will focus on analysing and investing in anomalies between market values and fundamental values. A history of GeTeck's assets under management can be found in Exhibit 2 below.



Exhibit 2: Assets Under Management (\$ millions)

Year End	Total AUM	Managed Accounts Total	Green Strategy	Blue Strategy	Special Event Strategy
2012	\$ 1	\$0,6	\$ 0,4	–	–
2013	\$ 3	\$ 1,6	\$ 1,4	–	–
2014	\$ 5	\$ 2,8	\$ 2,2	–	–
2015	\$ 9	\$ 7	\$ 2	–	–
2016	\$ 12	\$ 8	\$ 2	\$ 2	–
2017	\$ 18	\$ 12	\$ 2	\$ 4	–
2018	\$ 25	\$ 16	\$ 2,5	\$ 6,5	–
2019 (march)	\$ 30	\$ 25	\$ 5	–	–

GeTeck Team is principally located in London. In addition, GeTeck has offices in Milan, Bangkok, Cairo and Dubai and has an associated presence in Bogota, Colombia & Miami, US & Geneva, Switzerland. GeTeck employs 9 employees and 15 associates, 5 of which located in London, 4 in Milan, 3 in Dubai, 3 in Bangkok, 4 in Bogota, 2 in Cairo, 2 in Geneva and 1 in Miami. There are 14 investment professionals, including the CIO and members of the research, trading and risk management teams. On the back-office side, there are 3 people in operations, 2 in finance, 2 inhouse in legal and compliance, 3 outsourced in information technology, and 1 in HR and office support. The firm is supported by a 2 person investor relations and marketing team.

Exhibit 3 provides additional biographical information on the key investment and operations professionals at GeTeck, while Exhibit 4 provides a breakdown of fund employees by functional area.

Exhibit 3: Key Investment and Operations Professionals

Name	Title	Years at the Firm	Years of Exp.	Prior Experience	Education
Domenico Marzia	Co-Founder, Chairman, Managing Director	7	30+	ABB, RusGaz, Rosneft	MSc Engineering
Corina Dimofte	Co-Founder, Board Member, Investment Officer	7	9	N/A	BSc Communication; MSc Behavioral Finance
Leonardo Ciccarone	Co-Founder, Board Member,	7	40+	Real Estate, Construction	
David Ishack	Co-Founder, Board Member, Portfolio Manager	7	25+	Guardian London Investments	BSc Finance
Gianluca Mosca	Board Member, COO	7	14	ENI	MSc Engineering
Koenraad Praille	ASEAN Director	7	25+	Geldof Metaalconstructie	MSc Economics
Gilberto Braha	Board Member, Investment Manager	7	40+	Government Advisor	BSc Finance
Mark Campanale	Non-executive Board Member	7	30+	AMP Capital Sustainable Future Funds	BA Politics & Economic History; MSc Agricultural Economics
Paul Taylor	Auditor	7	35+	Taylorcocks Chartered Accountants, Freestone Jacobs	MSc Economics



Exhibit 4: Personnel Count

	Total Firm	Total Firm Departures within past 3 years (all zeros / new fund)
Investment Professionals:	14	0
CIO and directors	9	0
Traders	Through strategic partners	
Research Analysts	5	0
Risk Management	External: Gus Badran ^{*1}	
Operations/Back Office:	10	0
Operations	3	0
Finance	2	0
Legal/Compliance	Internal 2 & External: Backer & McKenzie Law Firm	
Information Technology	External: Michele Piperis ^{*2}	
HR/Office Support	1	0
Marketing/Investor Relations	2	0

*1 Gus Badran is chairman of Innovation Technology Special Interest Group and Committee Member of the Private Equity Special Interest Group within the Chartered Financial Analyst (CFA) UK Society

*2 Michele Piperis is CEO of Art&Media.

The firm is dedicated to investment research, with a 5 people research team comprised of individuals with advanced financial experience. Almost 40% of GeTeck staff members are dedicated to investment research. The research effort is led by Mrs Corina Dimofte. GeTeck places a high degree of importance on research and screening and frequently deals with specialist consultants and Investment Bankers focused on identifying new opportunities in the market. GeTeck has invested heavily in team formation and training, risk management system, and selection of the consultants. In 2013, GeTeck opened office in Dubai and in Milan the following year to further extend its international platform. In 2016 GeTeck expanded in Cairo, Egypt & Bogota, Colombia and in 2018 expanded in Bangkok, Thailand and Geneva, Switzerland.

Corporate Governance

To avoid the possibility of conflicts of interests, GeTeck has put into action a governance structure and a set of principles, including rules and procedures for making decisions in corporate affairs, with the sole purpose of identify the distribution of rights and responsibilities among all different participants in the corporation (board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders). The Governance Committee comprehends five different Committees:

Exhibit 5: Governance committee

	Chief Investment Officer (CIO)	Chief Operative Officer (COO)	Chief Risk Officer (CRO)	PM	Head of IR	Controller
Management Committee	Chair	Member	Member			
Investment Committee	Chair		Member	Member	Member	Member
Risk Committee	Member	Member	Chair	Member		Member
Compliance Committee	Member	Member	Member			Member
Compensation Committee	Chair	Member	Member			
Executive Committee (Board)	Chair	Member	Member			



- **Management Committee (Asset Manager):** composed by 3 figures, it has been created with the purpose of supervising the overall management activities
- **Investment Committee:** composed by 5 figures, its function is to determine the investment strategy, by monitoring and screening both markets and the economic environment, and supervise investment decisions
- **Risk Committee:** composed by 5 figures, it has various duties:
 - Valuation activity, executing risk assessment policy over screened investment opportunities
 - Risk oversight, whether it is market, counterparty or operational risk
- **Compliance Committee:** composed by 4 figures, it performs compliance control over the firm activities, with the exceptions of Audit reviews
- **Compensation Committee:** composed by 3 figures, it completes performance reviews and supervise compensation decisions
- **Executive Committee (Board of Directors):** composed by 3 figures, it accomplishes the tasks of executive reviews, appointments, approvals and final decision on investment opportunities.



INVESTMENT STRATEGY AND PROCESS

GeTeck is an Alternative Asset Management company. The fund strategy is primarily to pursue investments in opportunistic, internationally provided tangible assets and projects across industries and geographies, with high returns over mitigated risk. The fund is continually focusing on to diversify its risk, allowing for part of its committed capital to be invested in equities, commodities, stock and/or bonds. The fund will have an allocation of minimum 80% in projects, with a maximum of up to 20% invested across financial markets and financial securities.

Investment Process

GeTeck flexible investment mandate enables them to invest and dynamically adjust to the fluctuating market conditions. The firm investment decision follows an “investment process”, the investment opportunity undergoes This is a three–phases process:

- i. a selection process (by the Selection Committee), where asset class, project or partner strategy are monitored and identified
- ii. an operational risk assessment (by the Risk Committee), to determine the operation feasibility, risk and expected return
- iii. the executive implementation with the Executive Committee (Board of Directors) decision.

The process includes identification and planning of exit strategies and liquidity options to avoid going below the 30% liquidity threshold which might trigger gate event.

Investment Criteria

The Exhibit 6 presents GeTeck investment criteria for investments in tangible assets and projects.

Exhibit 6: Investment Criteria

Transaction Size	min USD 5 million
Transaction Structure	general project management; majority as well as minority positions.
Industrial Sector	Infrastructure; Health; Energy; Oil&Gas
Geographies	Europe; ASEAN; MENA; LatAm
Return Ratios	Double digits

Fund Investment Structure

The fund strategy is primarily to pursue investments in opportunistic, internationally provided tangible assets and projects across industries and geographies, with high returns over mitigated risk. For this type of investments, GeTeck will use either of the following Investment Portfolio structure:

Separately managed accounts: the firm creates an account for each project. This structure allows GeTeck to have the full control of each tangible asset in which it has invested and, at the same time, to eliminate the “adjacency risk”. There is no limit to the ticket size of the investments, although this structure has no economic advantages for operations under USD 100 million.



Custom Fund of Funds (FoF): in this structure, GeTeck will build its investment portfolio as a fund of funds, investing in different projects at the same time. While GeTeck will still have a great amount of control over each tangible asset in which it has invested in and the ticket size of the investments is based on custom allocation. Although this type of structure introduces a very low level of “adjacency risk”, it also has economic sense for investments and operations under USD 100 million.

Securities Investment Strategies

The fund will also continually focus onto diversifying its risk, allowing for part of its committed capital to be invested in liquid and publicly traded securities (equities, commodities, stock and/or bonds). GeTeck has studied three different investment strategies that will be put in action:

The **Green Strategy** is a low beta quant thesis, also referred to herein as Long–Short Strategy. The Long–Short Strategy focuses on opportunities in the mean reversion of volatility and the mean reversion of returns (the “Long-Short Strategy”). This Long–Short Strategy primarily trades in unlevered and levered Exchange Traded Funds (“ETFs”). The Investment Manager plans to invest leveraged ETFs taking advantage of inevitable market volatility to generate alpha. The Investment Manager will manage differing tranches, both unlevered and levered. The Long-Short Strategy is designed to thrive in periods of high market volatility.

The **Blue Strategy**, also referred to as “Vol–Arb Strategy”. Its objective is to exploit the differences between the forecasted future volatility of a selected basket of assets and the resultant actual volatility of those assets. Opportunities and risks are managed through internal proprietary analysis that evaluates monetary, fundamental and technical factors that are used to determine where potential sources of volatility are likely to develop. This proprietary strategy includes a component of calculating the mean reversion of volatility and the mean reversion of return. The Vol–Arb Strategy also places a premium on liquidity in order to insure a capacity to switch from one position to another and adapt instantly to market fluctuations. Accordingly, the Vol–Arb Strategy is limited to level one securities, and primarily, but not exclusively to maturities of two to four months. Although tax strategies will not act as the primary driver for the Blue Strategy, the Investment Manager will, when practicable, endeavour to conform the Blue Strategy trades with 26 USC §1256 to afford preferential tax treatment in accordance with that section. However, neither the General Partner nor the Investment Manager warrant such tax treatment and direct each Limited Partner to determine such matters independently in conjunction with such Limited Partner’s independent tax advisor.

The **Special Event Strategy**, which analyses investment relative to anomalies between market values and fundamental values. The Investment Manager is cognizant that systemic risk must be considered relative to stock-specific risk and the Investment Manager intends to hedge against and profit from this risk while pursuing investment themes that have attractive risk-reward profiles. In attacking these market anomalies, the Investment Manager will establish the identification of special situations where securities are mispriced, either because they are underfollowed, unappreciated, in transition, or otherwise misunderstood. In seeking out such special events, the Special Events Strategy places particular emphasis upon newly issued equity and equity linked securities. While many institutional investors focus on macro dynamics and allocations, the Fund adopts a very different philosophy. Specifically, while the Special Events Strategy will certainly place a premium upon securing good allocations, even greater importance is placed on fundamental research, triangulating feedback, data assessment, issue-specific intelligence and in the employment of the Investment Manager’s significant industry experience and relationships.

Investment Philosophy

GeTeck operates following its investment philosophy, which is built on a foundation of:

- **LIQUIDITY** – The value proposition requires minimum lock-ups believing that the management of third party assets carries with it an obligation to provide value.



- **TRANSPARENCY** – The investment strategies function exclusively within level one securities, with trading results independently verified monthly by our Administrator
- **NON-CORRELATION** – The quant and applied strategies in low correlation to the core financial markets.

The investment philosophy is applied in 3 non-correlated strategies described above:

- **Green Strategy** – a low beta multi-strategy designed to navigate in low and high volatility environments
- **Blue Strategy** – a volatility-arbitrage strategy designed to benefit in an environment of declining volatility
- **Special Event Strategy** – a strategy designed to benefit from new issues and follow on issues.



PORTFOLIO CHARACTERISTICS

The main “instruments” that will be used by GeTeck are tangible assets, equities, fixed income, currencies and commodities. The initial portfolio will consist of 80% tangible assets from selected projects and 20% in the other financial instruments. The fund will trade primarily in tangible assets, creating sector baskets for which there is no comparable index to trade. GeTeck will trade mainly illiquid instruments and under normal market conditions, the firm estimates that it could take several months to liquidate the entire portfolio without having a major impact on pricing. Consequently, GeTeck will constantly monitor its liquidity as part of its risk management process, keeping the liquidity level at 30% of the committed capital. This is done by constantly measuring and analysing the illiquid assets, their performances and the forecasted time needed to convert the various assets from illiquid cash liquid.

The fund will invest in all regions around the world. As per management decision initial risk should be allocated as follows:

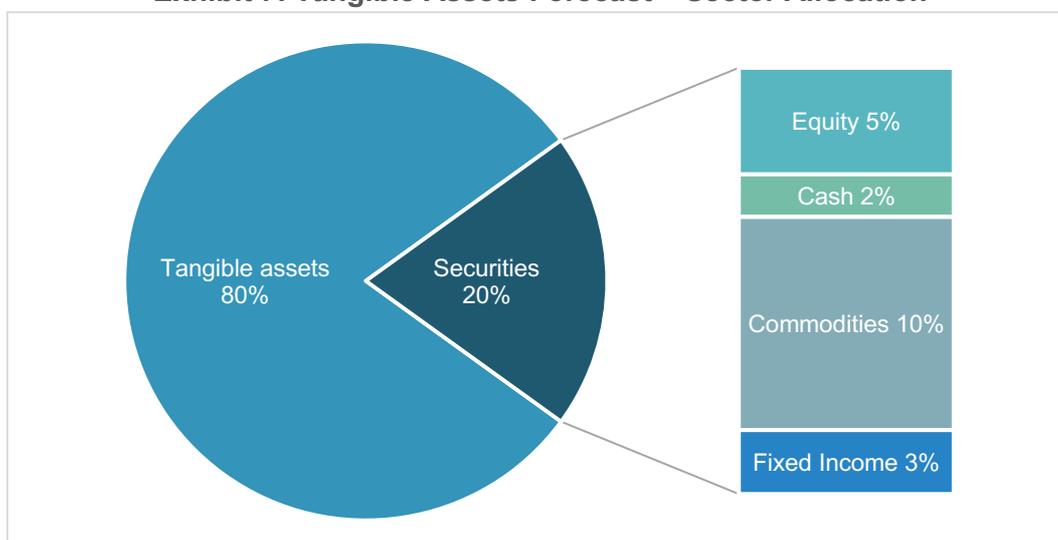
- 25% Europe
- 35% ASEAN (Association of Southeast Asian Nations)
- 10% MENA (Middle East and North Africa region)
- 30% LatAm (Latin America)

GeTeck portfolio is primarily in developing markets (LatAm in the specific) because of the superior return there.

The fund plans to trade across several markets especially for the percentage of the liquid assets. The average holding period should be approximately 18–24 months, but models can have time horizons ranging from 180 days to 36 months. Trade execution will be initially largely manual. In the future the fund plans to have 80% of trades still executed manually as equity projects require such, 10% traded algorithmically; and other 10% of trades are executed by traders either directly with counterparties or relayed via a broking desk to the exchange floor. The trading desk will have 24-hour coverage with dedicated team of execution traders and trading technology staff.

The execution team will constantly supervise the execution process to ensure that it is working correctly and will step in and override the system to execute a trade if they feel it is not being executed in the most efficient way possible. In addition to efficient trade execution, cost minimization is an important focus point for the fund. Transaction costs are taken into account as part of the portfolio construction process; longer term signals are emphasized for markets with higher transaction costs.

Exhibit 7: Tangible Assets Forecast – Sector Allocation





As represented in Exhibit 7, risk capital will be allocated across 5 sectors. Short-term risk allocation varies as positions continuously adapt to reflect the current opportunities in the markets. The current long-term risk targets are: Tangible Assets 80%, Equities 5%, Cash 2%, Currencies 0%, Fixed Incomes 3%, Commodities 10% (of which precious metals 8% and base metals 2%). Allocations may vary over time, but there would not be a major deviation from equities which the fund wants to keep as the main instrument. While the formal review occurs quarterly for the equities and monthly for the liquid assets, the actual level of risk at the sector level is monitored on an ongoing basis.

Given the weight of tangible assets investments in the overall portfolio, the following Exhibit 8 represents the forecasted breakdown by sector of investment:

Exhibit 8: Tangible Assets Forecast – Sector Allocation

	Energy	Construction	Oil&Gas	Infrastructure	Healthcare	Real Estate	Other
2019	20%	10%	20%	27%	15%	3%	5%
2020	20%	10%	20%	27%	15%	3%	5%
2021	23%	7%	15%	27%	15%	5%	8%
2022	23%	7%	15%	27%	15%	5%	8%
2023	27%	5%	13%	25%	15%	5%	10%
2024	27%	5%	13%	25%	15%	5%	10%
2025	30%	5%	10%	25%	15%	5%	10%

GeTeck's investments in Tangible Assets will mainly cover 5 sectors: Energy, Construction, Oil&Gas, Infrastructure, Healthcare and Real Estate. At the beginning, only a residual part of its investments will be allocated to other sectors (e.g. Telecoms, Tech), while Energy, Oil&Gas and Infrastructure sectors will account for almost 70% of the total invested capital.

Over time, the management foresees shifts in economy's tendencies: Energy sector (driven by investments in renewable energies) taking over Oil&Gas; aging in population driving increase in Healthcare investments; advancement in technology (e.g., 5G technology) requiring investments to upgrade the network. Consequently, GeTeck expects to adapt its strategy and sectorial allocation, increasing the allocation to Energy and Other sectors, while reducing its activities in Construction and Oil&Gas.



PERFORMANCE

Tangible Assets returns are forecasted based on (i) past returns, (ii) market sectorial expectations and (iii) investment projects already in pipeline. Exhibit 9 provides a forecast of the performances that GeTeck Fund should achieve.

Exhibit 9: Forecast of the Performances (risk-adjusted)

	Energy	Construction	Oil&Gas	Infrastructure	Healthcare	Real Estate	Other	Average Return
2019	+17%	+10%	+9%	+13%	+11%	+6%	+10%	+12.0%
2020	+17%	+10%	+9%	+13%	+12%	+5%	+11%	+12.2%
2021	+16%	+9%	+8%	+10%	+12%	+6%	+12%	+11.3%
2022	+18%	+8%	+9%	+10%	+13%	+5%	+12%	+11.9%
2023	+18%	+9%	+9%	+10%	+13%	+6%	+13%	+12.5 %



Return

The fund will pursue annualized weighted average return in the range of 10–12% per year in a 5 year forecast, which want to exceeds the current 4.91% return of the HFRI Fund Weighted Composite Index*. The HFRI Macro (Total) Index is currently negative so is not taken into account. GeTeck wants to position itself in the top 20th percentile of all hedge funds and the top 25th percentile of global macro hedge funds.

*Annualized performances of HFRI at end February 2019.

Risk

The fund forecasts to have an annualized standard deviation of max 0.6 in 5 years. The deviation should be lower than the current 1.89* median standard deviation of the HFRI Fund Weighted Composite Index and the 2.04* standard deviation of the HFRI Macro (Total) Index, placing the fund in the top 10% percentile of all hedge fund and the 20% percentile of global macro hedge funds.



*Standard deviation at end February 2019.

Risk-Adjusted Return

GeTeck aims to produce a Sharpe ratio over 1 for the next five years. This performance should place the fund in the top 10% percentile of all hedge funds and the top 20% percentile of all global macro hedge funds.

Risk Characteristics

Geteck is a new fund so there are currently no available data on the fund's return stream and there is no statistical beta to analyse. Information and comparison between GeTeck and the HFRI Fund Weighted Composite Index to understand if the fund will be correlated to the broader hedge fund universe will be available once the fund will start to trade. Same about the correlation analysis with the HFRI Macro (Total) Index.

Other

An initial historical performance analysis of GeTeck should be available within 6 months from the deployment of the fund.



TRACK RECORDS

GeTeck is a new fund so current GeTeck team track records are the most important and valuable source of information to predict the potential success of the fund itself. The following comments are based on the material and track records that we received from GeTeck and that we duly analysed.

Project Financing

GeTeck has a strong footprint in project financing. GeTeck team has expertise in analyse new potential projects in various sectors ranging from Healthcare to Industrial, from Farming to Energy. Large projects which require usually a good amount of initial financing can be structured and financed in various way. The team of GeTeck has expertise in source the right provider of finance (bank, fund, equity investor, financial market etc.) and structure the finance over all the period of the project (which usually for large projects span for minimum 2/3 years. The team of GeTeck does not only in-fact provide the pure initial finance but on the contrary, follow the client in every phase of the project till the completion. It happens frequently that the financing structured years before needs to be provided in a different way or there is less need of funds or more need of funds. Since GeTeck provides international financing also the financial market conditions can change over the years so the team acts promptly in response to the market.

Restructuring

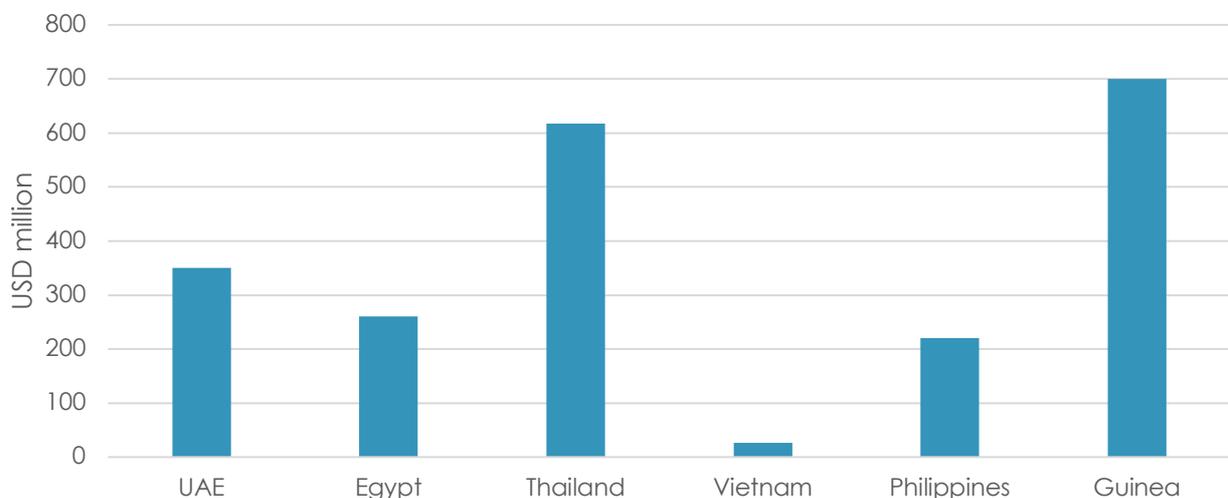
Financing and Restructuring are many times connected together but the usage of the money in a restructuring deal is even more delicate then in a new greenfield project. GeTeck Team has track records of restructuring debts, bad financial positions and liquidity issues that can be due to a variety of factors such changes in the market conditions, deteriorating business performance, mismanagement and several other factors.

Based on the documentation we received from the fund manager GeTeck team has very good knowledge of all the current financial instruments available ranging from classical equities and loans to structured finance tools. This knowledge provides to GeTeck the ability to find in the money market the resources necessary even when the investment risk is higher than usual and when classical institutions such banks and insurances are less prone to help a business that is financially struggling but with a high potential of recovery and future profitability. This certainly is one of the most interesting capabilities and expertise of the team.

Geographies

GeTeck experience is mainly connected with developing countries or however with countries where the current growth and/or potential growth is high. Doing business and financing in those countries is notoriously more difficult that in western geographies such Europe and North-America as the regulatory framework and the general legal system are very efficient in comparison.

Exhibit 10: Amount of project financing and restructuring – by countries (list not exhaustive)



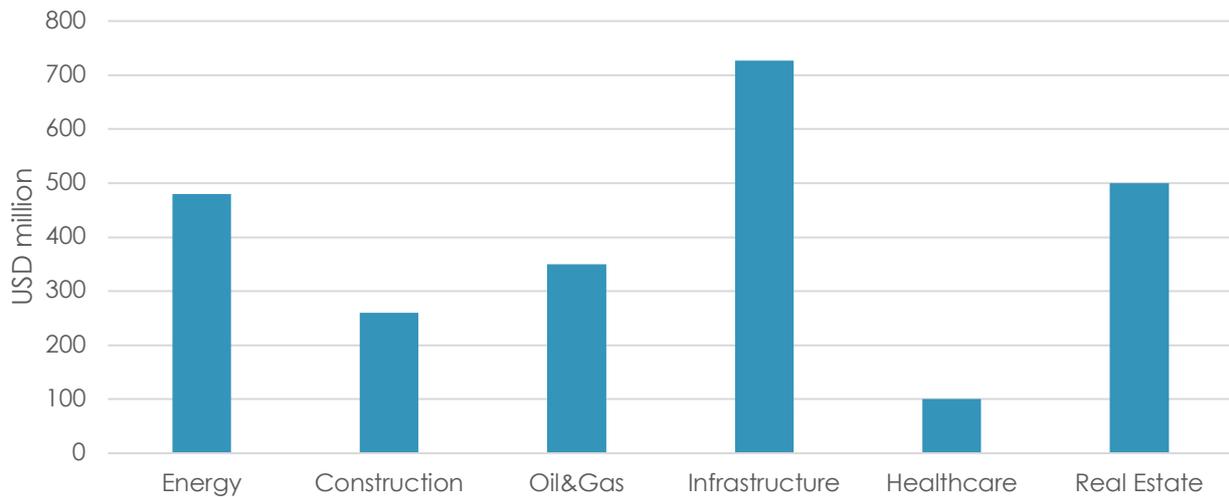


GeTeck’s Team has completed more than 30 transactions in such areas and now aim with the fund to invest personally in some selected future transactions.

Sectors

GeTeck has track records in several sectors ranging from Energy to Healthcare. According to our (Collins Dale) due diligence experience, the majority of teams managing funds are very sector specific. GeTeck team has instead a wide and rich experience. From a risk point of view, this is actually a benefit, as the fund can differentiate the future investments in multiple sectors hence decreasing the overall risk of the fund.

Exhibit 11: Amount of project financing and restructuring – by sector (list not exhaustive)



We received documentation of current transactions of the GeTeck Team also in the agriculture and in the farming sector. However, such transactions are not yet completed so will not be mentioned in this Due Diligence.

GeTeck according to the documentation we received has a USD 3+ Billion experience as a team. This does not include personal experience of the single members of the team and of the additional members that will participate to the fund. Including those, overall experience is much higher.

Exhibit 12 provides an overview of selected transactions in various sectors and various countries. Some data are confidential and have been voluntarily not disclosed as per GeTeck request.



Exhibit 12: Selected track record

PROJECT NAME	YEAR	COUNTRY	TYPE	SIZE (USD)	LENDER	SECTOR	SHORT DESCRIPTION
Epc Package #4: <ul style="list-style-type: none"> Al Zhour Refinery; Kuwait Petroleum Company; Essar Projects Ltd Portion 	2016	UAE/ Kuwait	Project Finance	350M	Elite Capital & Co.; Malayan Bank Berhad; Raiffeisen Bank Czech Republic	Oil&Gas	Geteck has sourced the funding and structured the collateral guarantees for USD 350M of capital required for the implementation of the Essar EPC portion in Al Zhour refinery, Kuwait.
Solar & Waste To Energy Plant Talaat Mustafa Group (TMG)	2015	Egypt	Project Finance	260M	Elite Capital & Co	Construction & Energy	Geteck secured funding to Talaat Moustafa Group to finalize the construction of Madinaty City (New Cairo area) for the implementation of a mixed renewable energy solution, waste and solar, to switch to independent energy supply for Madinaty.
Al Othaim Markets	2015	Saudi Arabia	Equipment Financing	6.5M	Bank of London and the Middle East (BLME)	Retail	Geteck sources the required funding facility to Al Othaim Markets, the second largest supermarket chain owner in Saudi Arabia Kingdom, for the implementation of an energy efficiency project.
Ban Jan Saai Oncology Center	2018	Thailand	Equity Finance (majority)	100M	Fondazione Humanitas Milan	Health	Construction of a state-of-the-art oncology treatment facility in Phuket, Thailand.
Hy Lo Hydro Power Dam 3x8MW	2017	Vietnam	Construction Financing	27M	Confidential	Infrastructure	Construction in Build-Operate-Transfer regime of 3x8MW hydro power plants.
Gen Tinio Solar Project	2018	Philippines	EPC; Financing	220M	Natixis Bank ASEAN	Energy	Construction of a 200MW solar plant in a PPP with the Government
Kom Airlines	2019	Thailand/ Singapore	Equipment Financing	phase 1: 16.2M phase 2: 181M	ICICI Bank PLC; Natixis Bank ASEAN	Industry	Recapitalization, equipment (airplanes) purchase, corporate restructuring.
Residence Palace	2017	Thailand	Project Finance	500M	Undisclosed	Real Estate	400.000 m2 mixed use residential project in prime location in Bangkok
Guinea State Backed Infrastructure Project	2018	Guinea	EPC; Financing	>700M	Afrexim Bank (syndicated)	Infrastructure	Construction of 350Km road linking N'zerekore to Youmou to Liberian frontier and 245 km road LABE-MALI-KEDOUGOU.
King Hussein Medical City	2019	Jordan	EPC; Financing	Undisclosed	Elite Capital & Co.	Health	Construction of "King Hussain Medical City" Hospital



RISK MANAGEMENT

GeTeck's risk management process is performed by the **Risk Committee**. The Risk Committee consists of no fewer than three independent directors of the Company. The members are appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee of the Board and may be removed by the Board in its discretion.

The principal purposes are to (i) oversee the enterprise risk management program in place at the Firm and (ii) evaluate risk in relation to the potential for growth and increase in shareholder value. The Risk Committee's oversight responsibility includes:

- the enterprise-wide risk management policies of the Company's operations;
- structure, approach and operation of the Company's risk-management framework;
- review and approve the Board's risk appetite parameters to be used by management to operate.

The Committee's responsibility is one of oversight and review. It performs its risk management duties and responsibilities with appropriate consideration of all risk types including, but not limited to, compliance/regulatory risk, credit risk, valuation risk, market risk, liquidity risk, operational risk, legal risk, reputational risk, and strategic risk. Management is responsible for developing, maintaining and monitoring systems of risk management throughout the organization. The internal risk management function will assist the Committee in fulfilling its responsibilities for review and oversight of the Company's risk management program. The Committee expects the Company's risk management function and executive management to report on any matters that warrant the Committee's consideration. The Risk Committee recognizes that management has more direct interaction, knowledge and information regarding the Company's material risks than does the Risk Committee. Accordingly, in carrying out its oversight responsibilities, the Risk Committee does not provide any expert or special assurance as to the Company's risk management activities. Power, duties and responsibilities are listed in the following Exhibit 13:

Exhibit 13: Committee Powers, Duties and Responsibilities

1	Oversee Risk Management Function and Policies.	The Risk Committee shall review the Company's risk management infrastructure and the critical risk management policies. Policies will be reviewed annually and, if considered appropriate, recommend new/updated policies to the Board for approval.
2	Evaluate Company Risk Appetite.	The Risk Committee shall review and consider with management the Company's risk profile, risk appetite and approach to determining the acceptability of risks incurred in the course of pursuing business.
3	Monitor Risk Exposures. The Risk	Committee shall review and evaluate the Company's significant financial, non-financial and cybersecurity risk exposures, and how the exposures are measured, monitored and managed in compliance with applicable policies.
4	Legal and Regulatory Compliance, Litigation.	The Risk Committee shall periodically review with management the Company's compliance program, material litigation affecting the Company and any significant correspondences with, or other actions by, regulators or governmental agencies.
5	Assess Risk Management Competency.	At least annually, the Risk Committee shall review with management the quality and competence of management appointed to administer risk management functions.
6	Insurance Coverage and Risk Sharing.	The Risk Committee shall review the Company's insurance coverage and various risk sharing protocols.



7	Monitor Fraud and Corruption.	The Risk Committee shall review with management the Company's exposure to fraud and corruption, as well as management's processes for identifying and managing the risks of fraud and corruption.
8	Report Risks of Fraud.	The Risk Committee shall refer risks of fraud related to financial reporting and other risk related matters as determined by the Committee, to the Audit Committee of the Board.
9	Coordinate With the Board.	The Risk Committee shall consider other matters of risk management as directed by the Board.
10	Performance Evaluation.	At least annually, the Risk Committee shall undertake a self-evaluation of the performance of the Risk Committee, including an assessment of its performance in light of the duties and responsibilities set forth in this charter and such other matter as the Risk Committee may deem necessary or appropriate in its discretion. In connection with such performance evaluation, the Risk Committee also shall review and assess the adequacy of this charter, and propose to the Board for its review and approval any changes to this charter deemed necessary or appropriate.

GeTeck's Risk Committee bylaws report that the Committee has to meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities, however no less than twice per year, and shall establish a schedule of meetings to be held each year and may schedule additional meetings as it determines to be necessary or appropriate. At any meeting, the quorum has to be at least the majority of the members. In planning the annual schedule of meetings, the Risk Committee shall ensure that sufficient opportunities exist for its members: (i) to meet separately, periodically, with risk management (and internal audit as needed), (ii) to meet separately with management or the Company's Chief Legal Officer, without risk management present; and (iii) to meet with only the Risk Committee members present.

To enhance the firm's corporate governance, Risk Committee shall maintain regular and open communication among the constituent directors, the Audit Committee of the Board, and the Chief Risk Officer. It also has the authority to retain and terminate outside advisors, including legal, risk or other advisors to the Risk Committee. In selecting any such advisors, the Risk Committee shall consider the independence of such advisor or consultant, as determined by it in its business judgement.



INVESTMENT TERMS

GeTeck fees are in line with other hedge funds and the liquidity terms are investor friendly. GeTeck charges a 2% management fee and 25% performance fee, which are the typical numbers in the sectors. The fund invests primarily in project equities hence the liquidity terms have a lock-up period. Early-withdrawals are permitted but subject to penalties. There is no offshore version of the fund.

Exhibit 14: Investment terms

Fees and expenses	
Management fee	2%
Performance fee	25%
High water mark	Yes
Hurdle rate	Yes
Fee payment frequency	Monthly management fees, quarterly (but accrued monthly) performance fees
Fund expenses	2.4% p.a.
Typical fund expenses	The fund's administration fees, directors' fees, distribution and other operating expenses
Offsets to expenses	None
Subscriptions	
Minimum initial investment	\$1 million
Minimum subsequent investments	\$ 100.000
Frequency	Monthly
Timing	First business day of the month
Notification period	Ten business days
Other subscription provisions	Exclusive first-time fund subscription fee of 0.5% for new-to-investment customers
Redemptions	
Frequency	Quarterly
Timing	First business day of each quarter
Notification period	Ten business days
Gate	Yes
Distribution of proceeds	Paid within 10 business days
Suspension provisions	The Board of Directors may suspend redemptions
Other withdrawal provisions	redemption fee of 3%, 2% or 1% if they redeem within the first, second or third year, respectively
Liquidity	
Lock-up	Yes
Early withdrawal penalties	Yes; 10% of the amount withdrawn
Other terms	
Key man provisions	None
Transferability	Only with the prior written consent of the Board of Directors
Side pockets for illiquid investments	None
Side Letters	N/A



APPENDIX

Alpha	Measure of a fund's excess returns over market indices. Alpha represents the portion of a portfolio's returns attributable to manager skill.
Arbitrage Strategy	A hedge fund style that aims to profit from the discrepancy in valuation between related securities, which may include equities, fixed income, derivatives, etc. An example is convertible arbitrage, which attempts to exploit the mispricing between embedded options in convertible bonds and the underlying security
Beta	Measure of a portfolio's return sensitivity to a market index. The higher the beta, the greater the sensitivity to the market. A portfolio with a beta of 1.0 should move directly in line with the market index.
Convexity	A measure of the sensitivity of a bond's duration to changes in interest rates. Bond portfolios with positive convexity are structured to have greater upside, when interest rates decline, than downside when interest rates increase.
Credit Strategy	A hedge fund style that typically invests in high yield and high grade bonds, bank loans, credit default swaps and structured products. Managers use fundamental credit analysis to identify mispriced debt instruments and express their views through long and short positions.
Derivative	A security whose price is derived from the value of one or more of the underlying variables, commonly the price of another security. An example is a call option which gives the holder the right, but not the obligation, to buy an asset at a specified price for a limited period of time. Derivatives can be used to hedge risk, speculate, or establish arbitrage positions.
Distressed Strategy	A hedge fund style that seeks to take advantage of corporate securities in default, under bankruptcy protection, in distress or heading toward such a condition, or in liquidation. Some distressed managers attempt to add value by becoming actively involved in the restructuring process.
DV01	The hypothetical mark-to-market impact on a fixed income portfolio of a 1 basis point increase in the credit spread of each asset.
DV1%	The hypothetical mark-to-market impact on a fixed income portfolio of a 1% increase in the credit spread of each asset.
Early Withdrawal Penalty	A fee assessed to investors that redeem assets prior to the expiration of a "soft" lockup. The penalty is a percentage of assets, typically 2% to 5%, and these fees generally accrue to the fund.
Equity Long/Short Strategy	A hedge fund style that primarily allocates capital to long and short positions in equities and equity derivatives. Exposures range from net long to market neutral to dedicated short. Some equity long/short funds focus on specific sectors (e.g., technology and healthcare) or regions (e.g., Asia and Europe).
Event Driven Strategy	A hedge fund style that aims to profit from the mispricing of securities related to hard and/or soft catalysts. Examples include mergers (merger arbitrage), restructurings, bankruptcies, litigation, regulatory and legislative changes.
F-Stat (p-value)	Measure of the statistical significance of a regression. A smaller p-value associated with the F-stat indicates a higher level of statistical significance. For example, a p-value of .01 or less indicates significance at the 99% level.
Expense Ratio	All expenses charged to the fund other than those related to trading and financing. These expenses typically include organizational expenses; fund legal, compliance, audit and administrative fees (including middle/back office services); directors' fees and expenses; fund-related insurance costs and research and data fees. Charges related to entering into, maintaining, and financing a position are not included in the ratio. These charges would typically include commissions, margin and other finance charges ("carry"), stock loan costs net of short rebate, brokerage charges, intermediation fees, and any other execution or finance related charges.
Fund of Funds	An investment vehicle that invests in a portfolio of hedge funds.
Gate	A restriction on the amount that investors can redeem from a hedge fund in a given period. Gates are designed to help prevent problems associated with large redemption requests during a specific period. Fund level gates establish this limit as a percentage of all holdings in the fund, potentially allowing redeeming investors to receive a percentage greater than



	the gate amount. Investor level gates limit each investor’s withdrawal to a specific percentage of their account.
General Partner	The partner responsible for the management and investment decisions of the fund.
Global Macro Strategy	A hedge fund style focused on taking advantage of structural macroeconomic imbalances and trends. Global macro managers generally have broad mandates to invest globally across all asset classes. These managers tend to employ leverage and have exposure to global interest rates, currencies, commodities and equities.
High Water Mark (“HWM” or “Modified HWM”)	The value that a portfolio must exceed before incentive fees can be assessed. The HWM is the highest net asset value previously achieved, and ensures that the manager does not earn performance fees on gains until previous losses are recaptured. A modified HWM allows the manager to earn a reduced (one-half) incentive fee during recovery, with the full incentive fee resuming after recovering 200% of earlier losses. A modified HWM helps a manager retain talented employees during weak performance periods.
Information Ratio (“IR”)	Commonly used measure of a manager’s risk-adjusted alpha versus a benchmark or set of market indices. The IR is the ratio of excess fund returns to tracking error. LIBOR is an appropriate benchmark for evaluating absolute return strategies, with a high IR indicating consistent outperformance.
Kurtosis	Positive kurtosis measures the tendency of returns to deviate from a “normal” distribution and exhibit “fat tails” where there is a greater frequency of large losses and large gains versus what would be normally predicted. Investors should be cautious of hedge funds whose returns exhibit high positive kurtosis, also known as tail risk.
Leverage	<p>The use of explicit debt (i.e. borrowing) or implicit debt (i.e. derivatives) to achieve investment positions that exceed invested capital (NAV), thereby amplifying return but also increasing risk. A common leverage calculation is the ratio of gross notional exposure to invested capital. For example, a \$100 investment in BP stock coupled with a \$100 short sale of Exxon stock yields gross notional exposure of \$200. Leverage in this example can be described in at least two ways:</p> <ol style="list-style-type: none"> The portfolio has 200% gross exposure (equal to \$200 gross notional exposure divided by \$100 NAV) The portfolio is one time (1x) levered (equal to \$100 in debt divided by \$100 NAV) <p>As illustrated in the example, the \$200 gross notional exposure equals the absolute value total of both \$100 long (“gross long”) and \$100 short (“gross short”) asset exposures. The measurement of gross notional exposure varies by asset class:</p> <ul style="list-style-type: none"> Equities – the market value of long and short positions Corporate Debt and Municipal Bonds – the market value of long and short positions US Treasuries (and other highly rated government debt) – the market value of long and short positions, adjusted to a 10-year bond equivalent maturity (approximate 9-year duration), so that a \$100 exposure to a 2-year duration bond is recognized as a lower risk compared to a \$100 20-year duration bond. The \$100 3-year duration bond is said to have a \$33 10-year bond equivalent exposure (\$100 times 3, divided by 9) while the \$100 20-year duration bond is said to have a \$222 10-year bond equivalent exposure (\$100 times 20, divided by 9) Options – the delta adjusted exposure rather than the total notional value of the underlying reference asset. Delta adjusted exposure represents the implied shares/holdings necessary to hedge the options position Credit Default Swaps – total notional exposure of the underlying reference credit Interest Rate Swaps – total notional exposure (expressed as 10-year bond equivalent, per the duration adjustment process described above) to reference security or index Futures/Forwards – total notional exposure to reference security or index
Limited Partner	Investors are limited partners in the hedge fund and are “limited” in that they have no voice in hedge fund investment or operational matters, and their losses are limited to amounts invested.
Liquidity	The ease with which a hedge fund can convert its holdings to cash. Funds with higher liquidity can close out of positions more easily and with fewer costs.
Lock-up	The period of time before an investor is eligible to redeem from a hedge fund. Lock-ups of one or two years are typical, and may apply to each subsequent investment. The liquidity of



	the strategy typically influences the length of the lock-up. For example, distressed funds typically have longer lock-up periods than macro and equity long/short funds.
- Hard	Assets cannot be redeemed during the lock-up period.
- Soft	Assets may be redeemed prior to expiration of the lock-up period, but an early redemption penalty must be paid.
Management Fee	Compensation for management of the hedge fund. Management fees typically range from 1% to 2% of assets.
Macro Overlay	A supplemental component of a portfolio designed to change the exposure of the underlying portfolio to various macroeconomic factors.
Margin (Encumbered Cash)	Cash posted as collateral with a broker or exchange to satisfy the trading requirements of derivative contracts.
Margin-to-equity ratio	The percentage of portfolio capital posted as margin with a broker or exchange (i.e., margin capital divided by total capital). In a portfolio composed entirely of derivative contracts, this number represents the percentage of encumbered cash in the portfolio. This is a common measure of leverage used by CTA managers, since it is proportional to the amount of notional exposure per dollar of capital. For example, if one CTA portfolio has a higher margin-to-equity ratio than another, all else being equal, the former portfolio has higher leverage.
Master-Feeder Fund Structure	A fund structure which allows for onshore and offshore fund vehicles to be managed as a single portfolio.
- Master Fund	The master fund is that part of a master-feeder structure into which the feeder funds invest and which manages the single combined investment portfolio. The master fund is generally a non-US corporate entity.
- Feeder Funds	Two separate legal entities, one a U.S. onshore partnership (LP) and the other a non-U.S. offshore corporation (LTD) which accommodates investor groups with different tax and regulatory needs.
Max Drawdown	The greatest investment loss experienced by a hedge fund, measured from peak (prior highest cumulative return) to valley (subsequent lowest cumulative return).
Multi-Strategy	A hedge fund style that opportunistically allocates capital to various hedge fund strategies and uses diversification to reduce asset-class and single-strategy risks. Ideally, multi-strategy portfolio managers tactically shift capital among strategies in order to capitalize on current market opportunities. Some multi-strategy funds act as a collection of traders, while others have a more formal organizational structure.
Net Asset Value (NAV)	A fund's total assets less total liabilities.
Notional Exposure	The total dollar exposure represented by a position. Due to leverage, this amount may be greater than the equity in the position. For example, a CDS contract offering \$1 million of protection has a notional value of \$1 million even though the cost of the contract itself is likely to be a small fraction of that amount.
- Gross Long	The total notional exposure of all long positions in a portfolio. Long positions benefit from increases in securities prices.
- Gross Short	The total notional exposure of all short positions in a portfolio. Short positions benefit from decreases in securities prices.
- Net	The difference between a portfolio's gross long and gross short exposures. A net long position indicates a higher portion of long positions in the portfolio, and that the portfolio should generally benefit from an increase in asset prices. A net short position indicates the opposite.
- Total Gross	The sum of a portfolio's gross long and gross short exposures.
Offshore Fund	Hedge funds which are registered/domiciled in offshore jurisdictions such as the Cayman Islands, British Virgin Islands, and Luxembourg. Offshore funds provide eligible investors with tax benefits and regulatory relief. Because offshore funds are administered outside of the U.S., non-U.S. investors and tax-exempt U.S. investors such as ERISA pension funds can take advantage of tax benefits.
Onshore Fund	A fund with a U.S. legal domicile under the tax and regulatory locale of the fund manager. Most onshore funds are limited partnerships registered under Delaware law.
Performance (Incentive) Fee	The manager's share of the profits above the high-water mark and net of management fees and expenses. The fee is typically 20%.

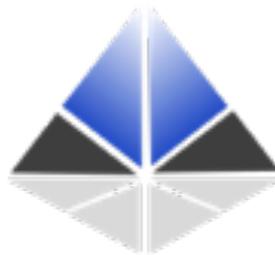


Serial Correlation	The correlation between current and past returns. In an efficient market, there should be no correlation between returns from one period to the next. Some hedge funds, particularly credit oriented funds, exhibit positive serial correlation which indicates that security pricing may be “sticky” and not change from period to period.
Sharpe ratio	Commonly used measure of a manager’s risk-adjusted alpha in relation to a risk-free asset. The Sharpe ratio is equal to excess returns divided by excess risk. A high Sharpe ratio indicates that a manager has generated high risk-adjusted returns.
Side Letter	An addendum to the partnership and subscription agreement which stipulates key terms for a particular investor, such as negotiated fee levels, MFN (Most Favored Nation) clauses, transparency requirements, or special liquidity terms.
Side Pocket	A segregated portion of a portfolio that may be used to hold illiquid, less frequently priced securities. Once a holding is placed in a side pocket, only current investors participate in its performance. Subsequent investors do not share in the gains/losses associated with assets previously placed in side pockets. Performance fees are paid when side pocket investments are realized. Assets placed into side pockets are not available for withdrawal until the investments are realized.
Skew	Skew measures the tendency of returns to deviate from a symmetrical distribution. Given two return distributions with the same mean and standard deviation, the distribution with the higher positive skew would be more desirable. Several hedge fund styles, particularly arbitrage strategies, exhibit return patterns that are negatively skewed, an undesirable trait but one that can be managed through style diversification at the portfolio level.
Soft Dollars	Commission credits from trading securities that can be used to pay for research or other services that brokers provide to hedge funds and that are intended for the benefit of investors. Most funds operate under the SEC 28e safe harbour rules that restrict soft dollar use to research only.
Suspension Provisions	A hedge fund provision that allows the manager to suspend all redemptions, generally to deal with extraordinary market circumstances.
T-Stat (p-value)	Measure of the statistical significance of an individual independent variable in a regression. A smaller p-value associated with the T-stat indicates a higher level of statistical significance. For example, a p-value of .01 indicates significance at the 99% level.
Tail Risk	A form of risk that arises when portfolio returns deviate from a “normal” distribution and exhibit “fat tails” where there is a greater frequency of large losses and large gains versus what would be predicted. Although technically positive kurtosis, tail risk is usually associated with downside risk in an extreme scenario.
Tracking Error	Measure of the volatility of an investment’s performance relative to a benchmark.
Transferability	The terms under which an investor may transfer ownership rights to another investor. Typically requires the approval of the manager or administrator.
Unencumbered Cash	Unencumbered cash is equal to cash holdings less margin requirements.
VAMI	The Value Added Monthly Index (VAMI) reflects the growth of a hypothetical \$1,000 in a given investment over time.
Value at Risk (VaR)	The potential loss in value of a portfolio given a specific time horizon and probability. For example, if a portfolio has a one day 5% VaR of \$1 million, there is a 5% chance the portfolio will lose more than \$1 million on any given day.



DISCLAIMER

This report reflects information only through the date hereof. Our due diligence and reporting rely upon the accuracy and completeness of financial information (which may or may not be audited by the fund manager) and other information publicly available or provided to us by the fund manager, its professional staff, and through other references we have contacted. We have not conducted an independent verification of the information provided other than as described in this report. Our conclusions do not reflect an audit of the investment nor should they be construed as providing legal advice. Past performance does not guarantee future performance. The information contained herein is confidential commercial or financial information, the disclosure of which would cause substantial competitive harm to you, Collins Dale, or the person or entity from whom the information was obtained, and may be protected from disclosure by applicable law.



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