TCM Key Personnel

HOWARD SIOW

Howard is CEO and Co-CIO of Taaffeite Capital Management LLC, with over 20 years experience as a money manager. His previous roles include CEO of global packaging producer MyPak and was a management consultant with PricewaterhouseCoopers, Bain International and Accenture.

Mr. Siow holds a Bachelors of Engineering and Bachelors of Commerce (Finance) from the University of Melbourne (Australia). Mr. Siow is a qualified Derivatives Adviser (RG146) and Managed Investment Adviser in Australia. Mr. Siow became a NFA Registered Associated Person on March 16, 2017, and was approved as a Principal on August 16, 2016.

MING NAN KO

Ming Nan is the Co-CIO of Taaffeite Capital Management LLC, with over 12 years of experience as a money manager, specializing in portfolio construction across the fixed income and equity markets. Prior to TCM, Mr. Ko was a fund manager at GHFM and at SGX listed IFS Capital where he was responsible for managing up to $40M USD, returning 52.4% in 2019.

Mr. Ko holds a Bachelor of Science majoring in Business, from the University of London. He is also a CFA charter holder.

LIYANN SEET

Liyann is a Venture Partner of Taaffeite Capital Management LLC, with a wealth of professional experience in the financial markets across investment banking, corporate banking, private equity and real estate. Ms. Seet started her career at Citibank N.A. Global Financial Institution & Corporate Banking Group and subsequently joined the Standard Chartered Bank Investment Banking Group in the Debt Capital Market Division.

Thereafter, she obtained her real estate investment expertise during her time in Far East Organization Corporate Real Estate Business Group. Academically, Ms. Seet holds a Bachelor of Business Management majoring in Banking & Finance from Singapore Management University.

TCM Advisory Board

SUFFIAN WYNG

Suffian has more than 12 years of experience in funds management encompassing property, equity, and fixed income investments. He is the Co-Founder and CEO of MSC Capital Partners in Singapore, a fund management platform that is part of the MSC Group, an Australian based trustee and custodian managing circa AUD 5 billion. He previously held senior investment management roles with multinational insurers and hedge fund managers across Asia Pacific.

Mr Wyng holds a Master of Business in Property from RMIT University, a Bachelor in Banking & Finance from Monash University, and is an Asian Institute of Chartered Bankers (AICB) Certified Financial Markets Dealer. He is also a Senior Associate of the Financial Services Institute of Australasia (FINSIA) and is registered with the Monetary Authority of Singapore (MAS) as a Registered Representative of a licensed Capital Markets Services (CMS) firm.

CRAIG HOLLIDAY

Craig acts as an Advisor to Taaffeite Capital Management, LLC, with over 25 years in senior executive roles, driving growth strategies and raising assets. Craig is also the manager of Abby Consulting and is a Managing Director of The Seraph Group.

Mr. Holliday earned a BA in Marketing in 1983 and an MBA in Finance in 1996 from the University of Memphis. Currently, Mr. Holliday holds the Series 3, 30, and 65 licenses.

About Us

Taaffeite Capital Management, LLC (TCM) strategy operates as a CTA:

- *Minimum $2M managed account*

And also 2 Global Macro funds:

- *For US Investors: TCM Global Index Fund, LP*

- *For Non-US Investors: TCM Global Index Fund (Cayman), Ltd*

$32M AUM, planning to raise $100M over next 6-12 months.

TCM and TCM's principals are regulated by:

- *National Futures Association (NFA)*

- *Cayman Island Monetary Assocation (CIMA)*

The Strategy

TCM is a well diversified portfolio of very high quality assets in the 4 major asset classes:

- *Global Equities (portfolio of high quality equity indices and individual stock positions)*

- *Global Sovereign Debt Bonds (portfolio of global sovereign debt bonds of various maturities/across their yield curve, based on bonds with highest expected return)*

- *Commodities (portfolio of Energy, Base Metals, Precious Metals, Agricultural products, Livestock, Cryptocurrency positions)*

- *Global Currencies (portfolio of over 20 positions)*

The TCM system scans the real time price and volume data across an investible universe (about 130,000 instruments across the above 4 asset classes). For each instrument the TCM system calculates an expected future price as a probabilistic function of the price of other instruments.

The optimal portfolio is determined to optimize return and minimize covariance, and a number of other risk principles TCM has developed to ensure the portfolio is both maximizing expected return and is also low-risk should unforeseen unpredictable market events occur. The portfolio is continually rebalanced to this optimal global portfolio.

Managing Risk

TCM portfolio is always fully invested and targets downside volatility of 10% (expected drawdowns of 10-20% to occur 1-2 times a year). TCM views risk to be much more than just volatility, and has developed a set of Risk Principles to ensure the portfolio is always very robust to market shocks:

1. *No position is more than 2% of the portfolio. With between 100-200 positions, positions are on average less than 1% of the portfolio, to reduce impact of localized position-specific event.*

2. *Portfolio is well diversified between asset classes and geographically. This also minimizes the risk of localized geographic or asset class specific events.*

3. *Positions are all highly liquid, with maximum position size of 10% of average daily trading volume of the instrument. Investors have daily liquidity with as little as 1 day notice.*

4. *TCM scales out of positions as volatility increases, and uses about half the leverage of the industry average.*

5. *Portfolio is risk-neutral, meaning the positions that are expected to correlate to risk-on are equal to the positions expected to correlate to risk-off on a volatility adjusted basis.*

Reducing exposure to reduce volatility can be done, however we believe the portfolio is already very de-risked, and reducing exposure could potentially be unnecessarily leaving returns on the table.

Fundamentally, TCM has trained the system to calculate the optimal diversified market portfolio at any point in time, so any discretionary intervention is likely to only reduce investor returns or imbalance the portfolio.

The principals of TCM personally have ~$8M USD invested in the strategy.

Attribution of Returns

Over a 1-3 year rolling window, all 4 asset classes are expected to contribute to returns, and outperform a common index like the S&P 500.

	Q1	Q2	Q3	Q4	
2013			Equities	Equities	*biggest winners*
			FX	FX	*biggest losers*
2014	Commodities	Equities	Bonds	FX	*biggest winners*
	FX	FX	Commodities	Commodities	*biggest losers*
2015	Bonds	Commodities	FX	Equities	*biggest winners*
	Commodities	FX	Commodities	Commodities	*biggest losers*
2016	Commodities	Bonds	Equities	Commodities	*biggest winners*
	FX	Commodities	FX	Bonds	*biggest losers*
2017	Equities	Equities	Equities	Commodities	*biggest winners*
	FX	FX	FX	FX	*biggest losers*
2018	Equities	FX	Equities	Bonds	*biggest winners*
	Bonds	Bonds	Bonds	Equities	*biggest losers*
2019	Bonds	Bonds	Bonds	Commodities	*biggest winners*
	FX	FX	Commodities	FX	*biggest losers*
2020	FX	Equities	Equities	Equities	*biggest winners*
	Commodities	FX	FX	FX	*biggest losers*
2021	Commodities	Commodities	Bonds		*biggest winners*
	Bonds	FX	Commodities		*biggest losers*

Performance (%)* as of 31st August 2021

MTD: +1.86%   **YTD:** +25.78%   **Annualized return since inception (after fees):** 23.78%   **Annualized downside volatility since inception:** 13.80%

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	S&P 500
2021	6.23%	-7.28%	-9.33%	4.84%	0.29%	9.04%	20.60%	1.86%					**25.78%**	20.4%
2020	15.63%	-12.47%	-19.46%	6.35%	13.07%	10.09%	17.14%	16.55%	6.56%	0.38%	19.82%	4.40%	**97.15%**	16.3%
2019	-0.24%	-0.06%	0.36%	-1.13%	-0.20%	-2.27%	-0.10%	-5.27%	3.01%	-13.91%	5.39%	-5.27%	**-19.16%**	28.9%
2018	-8.03%	11.14%	3.87%	-6.89%	-3.38%	4.24%	1.97%	6.87%	-9.30%	-1.62%	-4.10%	0.69%	**-6.52%**	-6.2%
2017	9.90%	4.24%	-4.09%	0.92%	-2.37%	6.66%	-2.14%	2.25%	-1.84%	-1.82%	4.56%	1.99%	**18.74%**	19.4%
2016	1.47%	-14.06%	-0.37%	-2.40%	7.71%	33.23%	1.66%	5.05%	11.38%	-4.32%	1.66%	-4.33%	**34.68%**	9.5%
2015	-3.91%	0.25%	-1.58%	2.64%	-6.28%	8.69%	18.74%	1.24%	7.47%	14.68%	-1.52%	7.46%	**55.39%**	-0.7%
2014	-7.38%	12.48%	3.41%	0.93%	7.65%	1.24%	-4.98%	2.04%	-18.75%	1.59%	5.72%	-0.97%	**-0.71%**	11.4%
2013							2.72%	-2.22%	9.34%	8.36%	3.69%	0.08%	**23.49%**	15.1%

*Actual investor returns after all fees and expenses

TCM vs S&P 500 vs MSCI Emerging Markets (July 2013 to August 2021)						
	Annualized Return	Negative Volatility	Sortino Ratio	Sharpe Ratio	Correlation to S&P	Correlation to EM
TCM	25.78%	13.80%	1.84	0.89	33%	22%
S&P 500	13.51%	7.73%	1.77	1.01		71%
MSCI EM	4.13%	9.64%	0.56	0.33	71%	

TCM's past performance (after fees), as provided in this presentation, is not an indication of future results.

- **Expected correlation with S&P 500 and Global Macro index?**

TCM expects about a 30% correlation with S&P 500 (a mild correlation) and about a 60% correlation with the Global Macro Index, but also to considerably outperform both.

- **What happens when correlations go to 1?**

Yes, when systemic events occur, risk-on and risk-off correlations approach 1. Investors are selling everything and going to cash, so both risk assets like equities and risk-off assets like treasuries and gold can also sell off. During these periods the portfolio generally goes into a drawdown, however the strategy will rebalance to pick up assets oversold, and the strategy tends to do extremely well when capital re-enters the market.

- **How will strategy perform during Inflationary period?**

Inflation and likely rising interest rates will likely be a strong headwind to the fixed income portfolio. It presents a dangerous environment when investors cannot afford to not be fully invested, however the high debt high risk environment is very conducive to bubbles, so it is important for investors to be well diversified during these periods.

TCM holds a portfolio of global assets, and inflation should rapidly lift the prices of assets, and TCM tends to quickly identify and allocate to the associated inflating bubbles, and has the diversification to avoid the fallout when they pop. So whilst inflation will likely bring volatility, it should also be a strong tailwind for TCM.

- **Does the portfolio have a stop-loss if a position is losing too much?**

Each position is less than 2% of the portfolio. In 2018-19 we used stop-losses, however determined it was much better to instead stay invested, scale out based on volatility and allocate to over-sold positions as market eventually turns.

- **Volatility and returns?**

We have a saying, that volatility is the price that needs to be paid for high returns. Volatility can be emotionally difficult to ride out, we know because we have been trading for over 20 years. However it is important to clearly differentiate volatility and risk. At TCM, we stay focused on ensuring the portfolio is as de-risked as possible and also fully invested to generate high returns.

- **Difference between CTA and Fund?**

Based on conversations some investors prefer the CTA to run a lower half-leveraged version of the fund strategy (reduce downside volatility towards 5%). The CTA managed accounts have a minimum of $2M USD of notional funding, and also may not include some cash equity, options, some derivative futures positions. This may lead to a fairly minimal tracking error of 5-10% with the fund performance.

- **Why does TCM provide daily liquidity?**

It was a requirement of an institutional investor and we decided to make it available for all investors. It also reflects the liquidity of the portfolio, because we believe that any leverage and illiquidity is a dangerous mix. In our experience liquidity risk is often not appreciated until it is needed.

- **Average trade duration?**

Average trade length is about 1 month. TCM has a lag so the portfolio does not re-balance too schizophrenically (like a moving average indicator), so that the system is not whip-sawed by market noise or false signals.

- **What does it do if position goes against it? Or in the right direction?**

If a position goes against us, it generally should not effect the portfolio too much (maximum position size is 2% of portfolio). However TCM would generally scale out of the position as the volatility increases. If the expected return increases it may increase the position (up to maximum position size of 2%) or if it determines there are better opportunities, TCM would exit the position and take the loss.

- **What do you mean by risk neutrality?**

The correlation to risk-on is effectively instruments that have recently correlated to growth equities, with a weighting on more recent data. Correlation to risk-off would be instruments that recently have a negative correlation with growth equities, with a weighting on more recent data. Risk neutral means these risk-on and risk-off positions are equal on an expected volatility adjusted basis.

- **What do we do on a day-to-day basis at TCM?**

On a day to day basis, the team is:

- Looking at historical performance of the strategy (yesterday, this week/last week, this month/last month, this year/last year) to look for clues for weaknesses in strategy and how it can be improved;

- Monitoring the liquidity of the instruments we trade and liquidity of potential new instruments (eg. evolving liquidity of existing instruments and new instruments);

- Researching new strategies (eg. Options, China equities and futures, etc) with unanimous approval required between Co-CIOs for introducing new risk measures or new strategies.

- **What is the general investment thesis?**

Consistently beating an efficient liquid market using market timing is very difficult and rare. But a well diversified portfolio of high quality assets can be constructed to generate strong returns. TCM uses statistical machine learning/information theory techniques to find obscure patterns in large data sets, and therefore be able determine probabilistically the future price, volatility and covariance of each market instrument, as a function of the current prices of other instruments. This allows TCM to construct a well diversified portfolio of the highest quality assets across global equities, sovereign debt bonds, commodities and currencies.

Fund Performance Awards
We've been consistently recognized by our industry and have won the highest accolades for our products, platform and service.

2017
Recognized as the Best Newcomer - Managed Futures (CTA) at the prestigious 2017 HFM US Hedge Fund Performance Awards that took place on Thursday, October 19, 2017 at Cipriani 42nd St, New York.

2018
Won Best Emerging Manager 2018 at the CTA Intelligence US Awards on 27 February 2018 at the Yale Club in New York.

Ranked No. 2 against CTA hedge fund peers globally based on the data in BarclayHedge's CTA database.

2019
Won the Best CTA Long-Term Performance under $500m (5 years) at the CTA Intelligence US Awards on 13 February 2019 at the Lotte New York Palace, 455 Madison Ave, New York.

2020
Ranked #1 Best Performing Hedge Fund in Macro Category on the Barclay Hedge Database for YTD performance in 2020.

2021
Won Best Fund under $100m (Multi-Strategy); and

Best Fund under $100m (Long Term Performance)