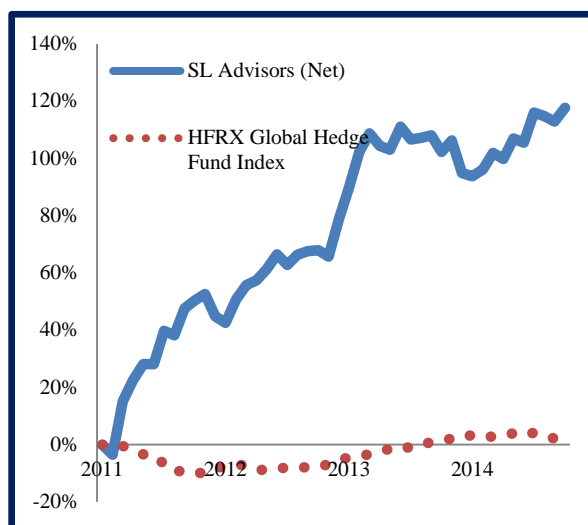


## A Focus on Absolute Uncorrelated Returns

### Low Beta Long Short Equity Strategy

The objective of this strategy is to deliver absolute returns that are uncorrelated to traditional asset classes. It aims to generate capital appreciation while remaining Beta neutral by maintaining a net long position in low beta equities hedged with the S&P500 (using SPY) to deliver uncorrelated returns. It deploys gross leverage of typically < 2:1 and targets volatility similar to the S&P500. Typical characteristics of long positions include low stock volatility, economically insensitive business, strong operating margins, low leverage, and market cap > \$1 billion.



Strategy usually has 15-20 positions sized based on the discount to present value of cash investors can extract over the life of the business.

Low Beta Long Short Strategy		
	Strategy (Net of Fees)	HFRX Hedge Fund Index
Since Inception: Total Cumulative Return	117.7%	2.4%
Since Inception: Annualized Return	23.0%	0.6%
Standard Deviation	14.9%	4.0%
Alpha	22.4%	N/A
Sharpe Ratio	1.6	0.2
Sortino Ratio	4.2	0.2
Information Ratio	5.0	N/A
Correlation to S&P 500	0.19	0.75

The high absolute returns for a strategy uncorrelated to traditional asset classes should be noted by hedge fund investors whose alternative remains a hedge fund industry that has generated no returns for clients while being highly correlated to equity markets.