Introduction to Atorus Partner A, LLC

Atorus Patner A, LLC generates absolute uncorrelated returns with low volatility and low drawdowns (targeted 75bps down months - 175bps up months) by investing in over 100+ positions in global FX, rates, futures, and listed equity securities. Managed by Michael Fowler and Joshua Levy, who have worked together for 7 years, Atorus has received a $45MM commitment from Topwater Capital Partners to implement the strategy across global markets.

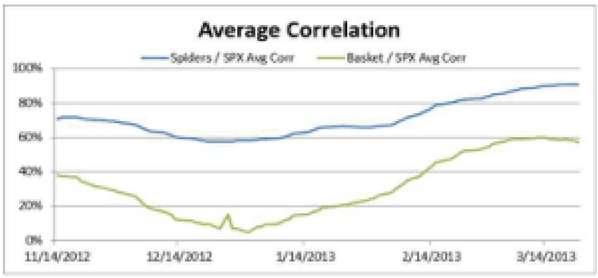
Alpha is generated by:

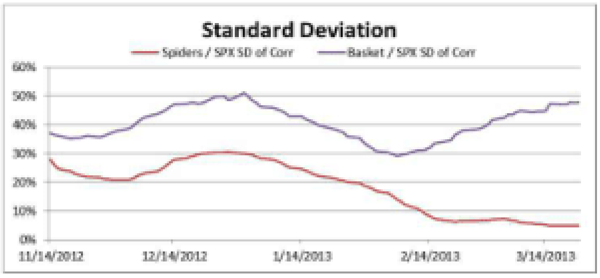
Portfolio Construction driven by targeting assets with lower correlation to the balance of the portfolio. The goal is to maximize randomness thereby increasing the probability that a minimal percentage of the portfolio is experiencing outsized price persistence, in either direction, while also reducing monthly portfolio mark to market volatility

Position Level Management is driven by leveraging into successful investments, never adding to losing positions, sizing positions relative to volatility and changing our time reference and directional bias based on changes in volatility and price trajectory as identified by our proprietary metrics.

Portfolio Construction - Alpha

We screen for assets that have a low amount of intra-portfolio correlation and/or where the correlation has a large standard deviation. This allows us to construct a portfolio with many individual positions that move in varying directions, which reduces our volatility. The following two charts stylize the difference between being invested in simply US listed equities versus our representative portfolio, as measured by the rolling average 90-period correlation and the standard deviation of the correlation.





Our approach will yield smaller absolute returns over a short interval of time, but will reduce our overall volatility and mitigate drawdowns. This is evident in the recent market environment as overall correlations have increased. Yet unlike the S&P subsectors where the standard deviation has decreased to only 5%, our representative portfolio's standard deviation has actually increasing, reducing the risk of all of our positions moving in a similar direction in the event of a change in price trajectory.

Position Level - Alpha

While we construct our portfolio by screening for assets that have low intra-portfolio correlation, we infer our directional bias on an individual position basis in isolation. In other words, correlation is a factor that determines what we add to the portfolio, but does not factor into the directional bias of any individual position. We generate alpha on a position level basis by:

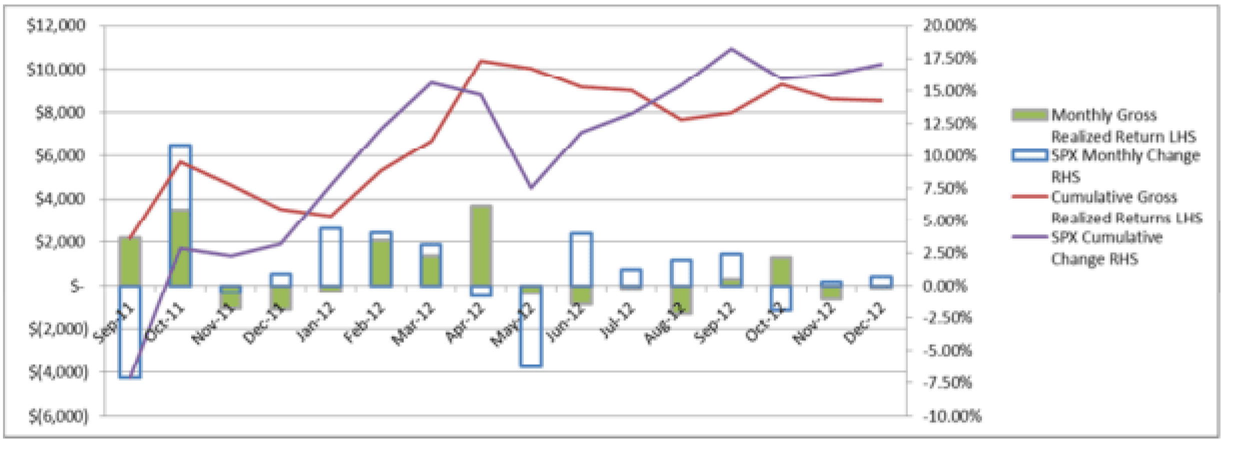
(i) *Winners Big Losers Small* - adding to profitable positions in declining notional amounts while never dollar cost averaging in to unprofitable positions

(ii) *Position* Sizing - positions are sized relative to volatility (lower vol names = higher notional risk, higher vol names = lower notional risk)

(iii) *Making Time Dynamic* - changing our sensitivity to the nearer term as realized volatility increases, coupled with changing our directional bias as the price trajectory changes

Representative Results

Atorus principals previously managed a $50MM US equity sector focused portfolio within a broader investment vehicle. Given the US financial sector mandate, the average portfolio correlation and directional bias was high, driven by lack of dispersion within the sector. As such, we consider the following a representative example of what would occur within an individual position in the context of a global portfolio. Yet, as evident, the ability to have low realized losses coupled with high realized gains (avg. realized gain of $1,806M versus avg. realized loss of $704M) with low drawdowns in periods of changes in price trajectory (e.g. September 2011 and May 2012) validate the robustness of our approach.



For Further Information

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