Atorus LLC

ATORUS
www.atorusllc.com

Investment Objectives

Atorus ("the fund") is a global multi-strategy fund with a systematic bias. The Fund's objective is to achieve absolute average returns of 15-25% per annum with unlevered-drawdowns not to exceed 10%, with a volatility target of 10-15% and a Profit Factor of 2.5X with a win ratio of 40%.

Atorus employs a risk-conscious and proprietary dynamic trading methodology that aims to minimize downside volatility and generate consistent uncorrelated returns in both up and down markets, with low portfolio turnover. The managers diversify the portfolio with 500+ positions across two main asset classes; global macro instruments (G20 rates, indices, FX and commodities) and G20-listed equities. The Fund's investment approach combines three discrete modules; portfolio construction, directional bias and timing, and risk management. The portfolio is constructed for reasons of neutrality, volatility, and low long-term correlation which collectively mitigate downside volatility. The directional bias of individual positions is the foundation of the strategy. Free from subjective bias, Atorus makes proprietary calculations of changes in realized volatility and price ranges to dynamically alter the timing of entry and exit for positions. This enables Atorus to quickly react on the directionality of individual positions, exploit them, and operate regardless of a high or low volatility environment. Correlation determines the Fund's investment opportunities, not the individual direction of any position. The last stage of the investment process is robust risk control, with particular focus on risk adjusted position sizing, hold periods, leverage, and entry/exit points.
Atorus is currently pre-launch, targeting an initial capital raise of $100m for a launch date of Q2 2014.

Fund Characteristics and Metrics

Max # of positions: 700
Average leverage: 2.35x
Max leverage: 4.5x
Average Position Size: 20 bps
Max Position Size: 5% of NAV
Asset Class Allocation: Soft target of no single asset class to exceed 40% of NAV

Target correlation range to MSCI World: -30 to+30% (in periods of high volatility the fund's correlation shall increase but not expected to exceed +/- 60%)
Profit Factor: >2.5x
Win Ratio: >40%

Sharpe Ratio: 1.6
Average position hold period: 100 days
Scalability: Daily dollar volume of opportunity set exceeds $1tillion (ex-FX)

Our Edge

- The managers have worked and traded together since 2007. The partner's backgrounds, experiences and strengths are different & complimentary.
- The team traded a $100million portfolio of risk for a European Bank from September 2011 to June 2013, achieving a profit factor in excess of 2X a win ratio of 40%, while generating positive returns on months with large market declines.
- The Atorus methodology is an aggregation of deep understandings of complex trading systems and market forces. The managers are driven by their dedication to discipline, order, and operational excellence.
- The portfolio managers focus on consistency of returns with minimal downside volatility, targeting a 'stair-step' return profile wherein the winners are maximized and the losers are quickly closed.

Atorus LLC

ATORUS
www.atorusllc.com

Team

Michael J. Fowler – Partner & Chief Investment Officer

Michael's career has been focused on understanding the nuances of complex financial systems and other markets. In 2007 Michael was the Co-Founder and Senior Portfolio Manager at Red Dot Trading, LLC, where in cooperation with Joshua, he was responsible for the day to day trading of a sector specific core listed-equity book. Prior to this, he was the Director of Structured Products & Finance at The Geneva Group in New York , where he was responsible for developing financial structures to provide bank-regulatory capital relief solutions due to the Basel II risk weightings. Michael also focused on project and acquisition financings primarily in the infrastructure, real estate, and the energy industries, including the acquisition of London City Airport in England by various European banks. He began his financial career at the age of 14 as a runner for the American Stock Exchange and at the age of 16 was hired by the hedge fund MHG Capital, as an equity and equity derivatives trader. Michael is an avid ultra marathoner who runs 50 and 100 mile+ races.

Joshua L. Levy – Partner & Chief Operating Officer

Joshua's career has focused on understanding what makes companies grow and prosper and bringing simplicity to complex processes. Prior to founding Red Dot Trading, LLC, Joshua was the Director of Private Investments at MUUS Asset Management, where he was responsible for the operational restructuring and management of portfolio companies. Prior to MUUS Asset Management, Joshua worked at Alvarez &Marsal Europe where he advised distressed international companies and their debt restructurings. In 1996, he founded Creative Ideas Ltd, a consumer goods distribution and marketing firm in Eastern Europe, which he sold to a NYSE listed company in 2001. Joshua has served since 2004 as a Board Member of Round Hill Capital LLC, a $4 billion global real estate investor / asset manager. He holds an MBA from the MIT Sloan School of Management and a BA from Vanderbilt University. Joshua continues to be an ice hockey goalie and has played for teams in the USA, Poland and Norway