



Theta Deep Value Fund

Investor Conference 2009

10 June 2009





Theta Deep Value Fund

The proposition

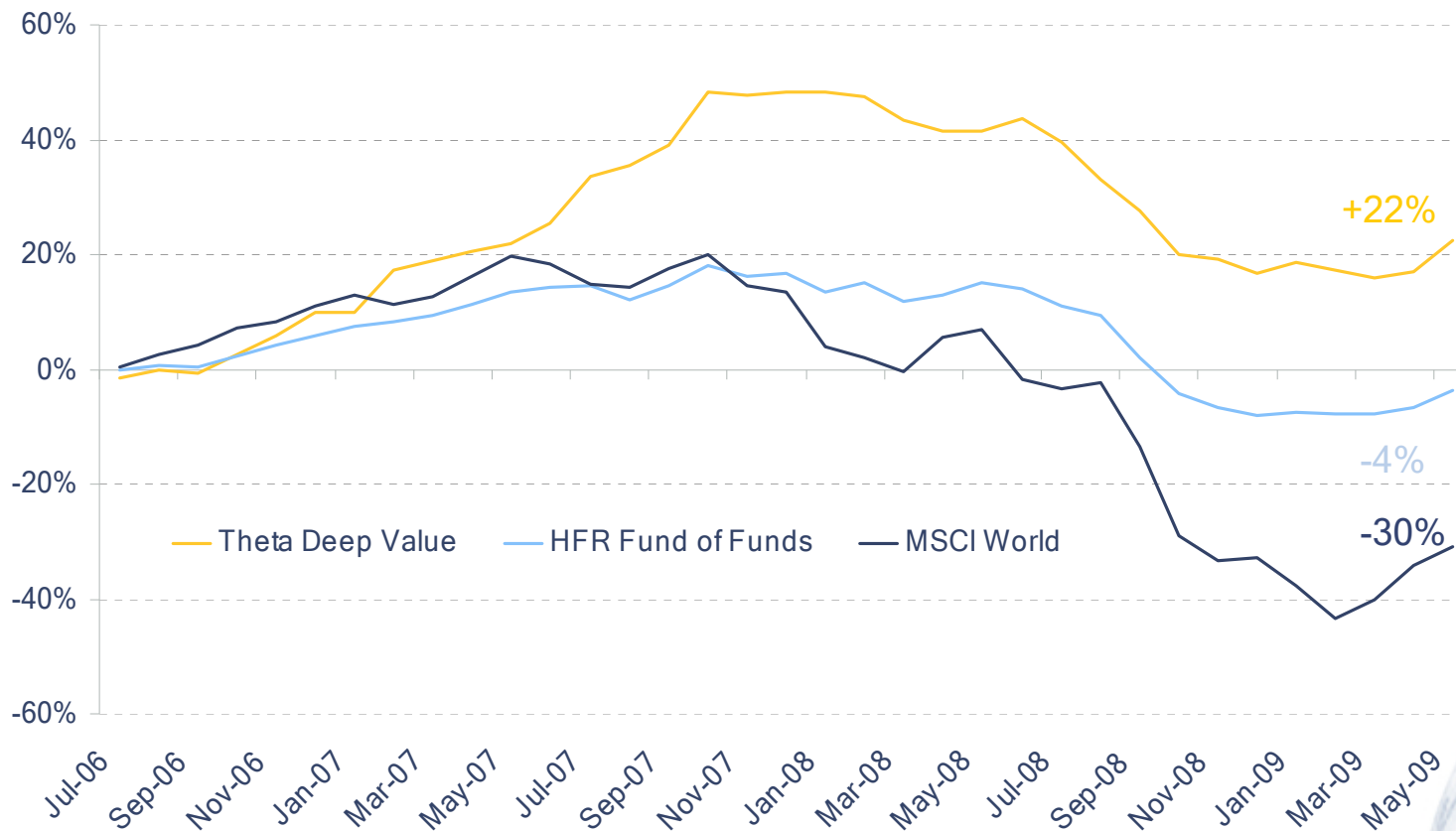
- Portfolio of 10-15 managers in often less liquid strategies
- Return target: 15%-20% per annum over a five-year period
- Capture illiquidity premium and significant upside potential
- Core consists of outstanding managers with whom Theta has long-standing investment relationships
- Reduced management fee and profit sharing only above 8% hurdle





Theta Deep Value Fund

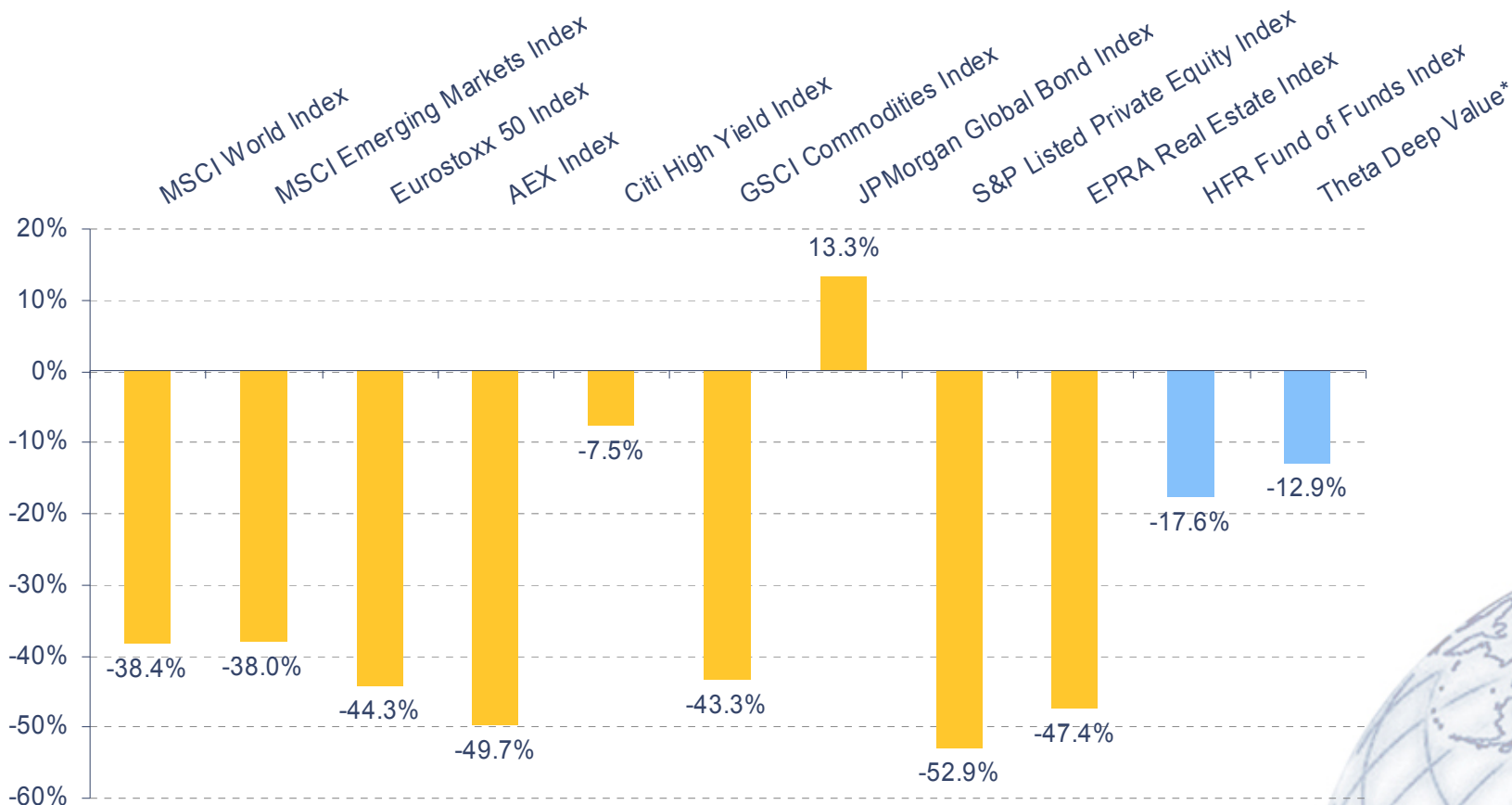
Cumulative return since inception (July 2006)





Theta Deep Value Fund

Asset Class Performance Jan 2008 - May 2009



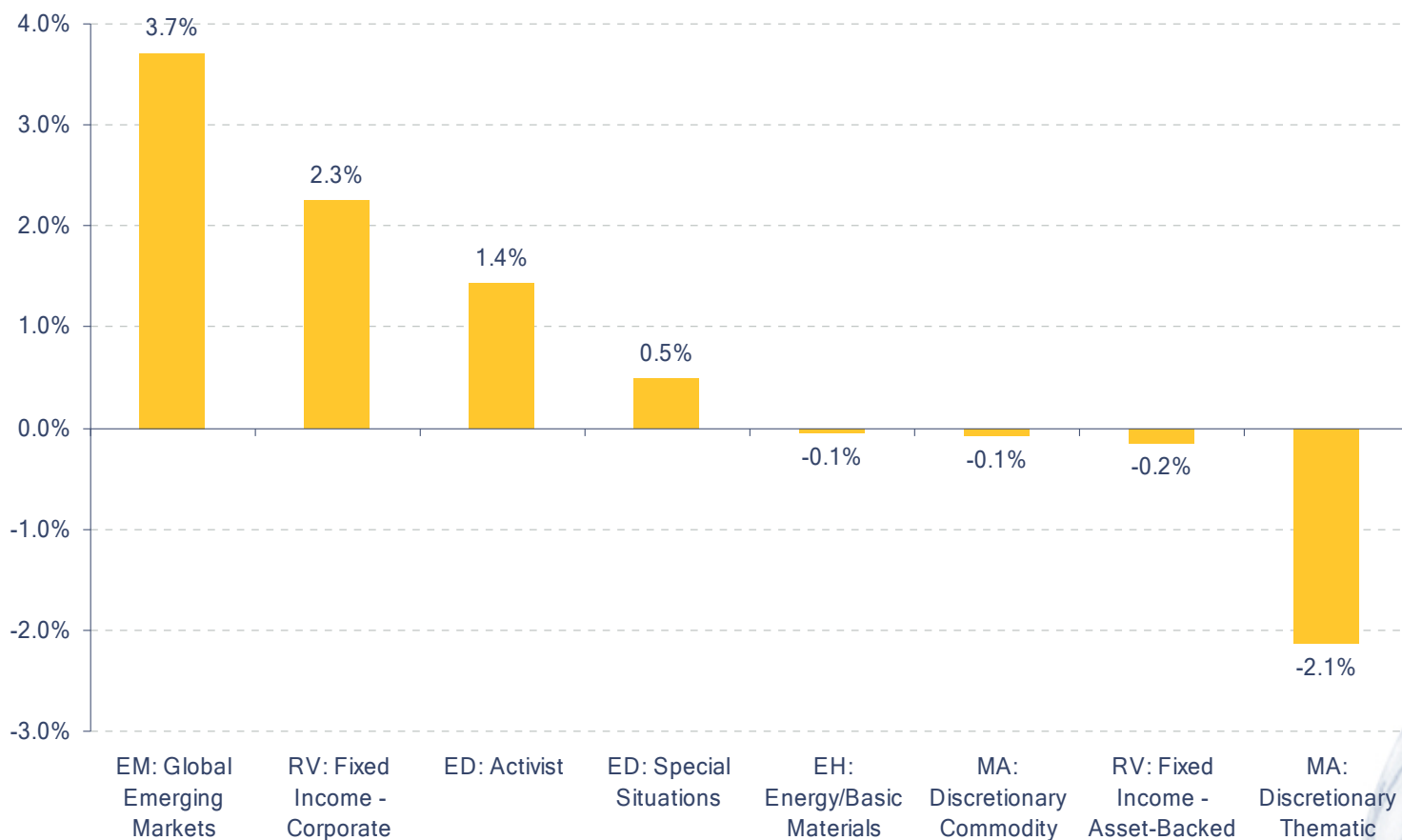
Non-listed private equity: estimated 2008 writedowns are 40-50% (Source: Bloomberg)





Theta Deep Value Fund

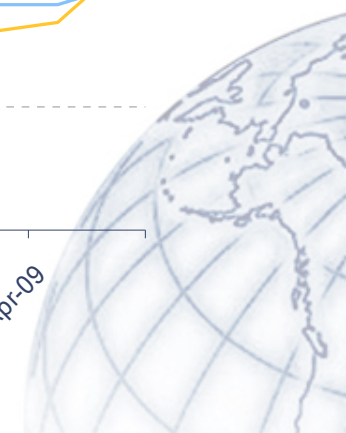
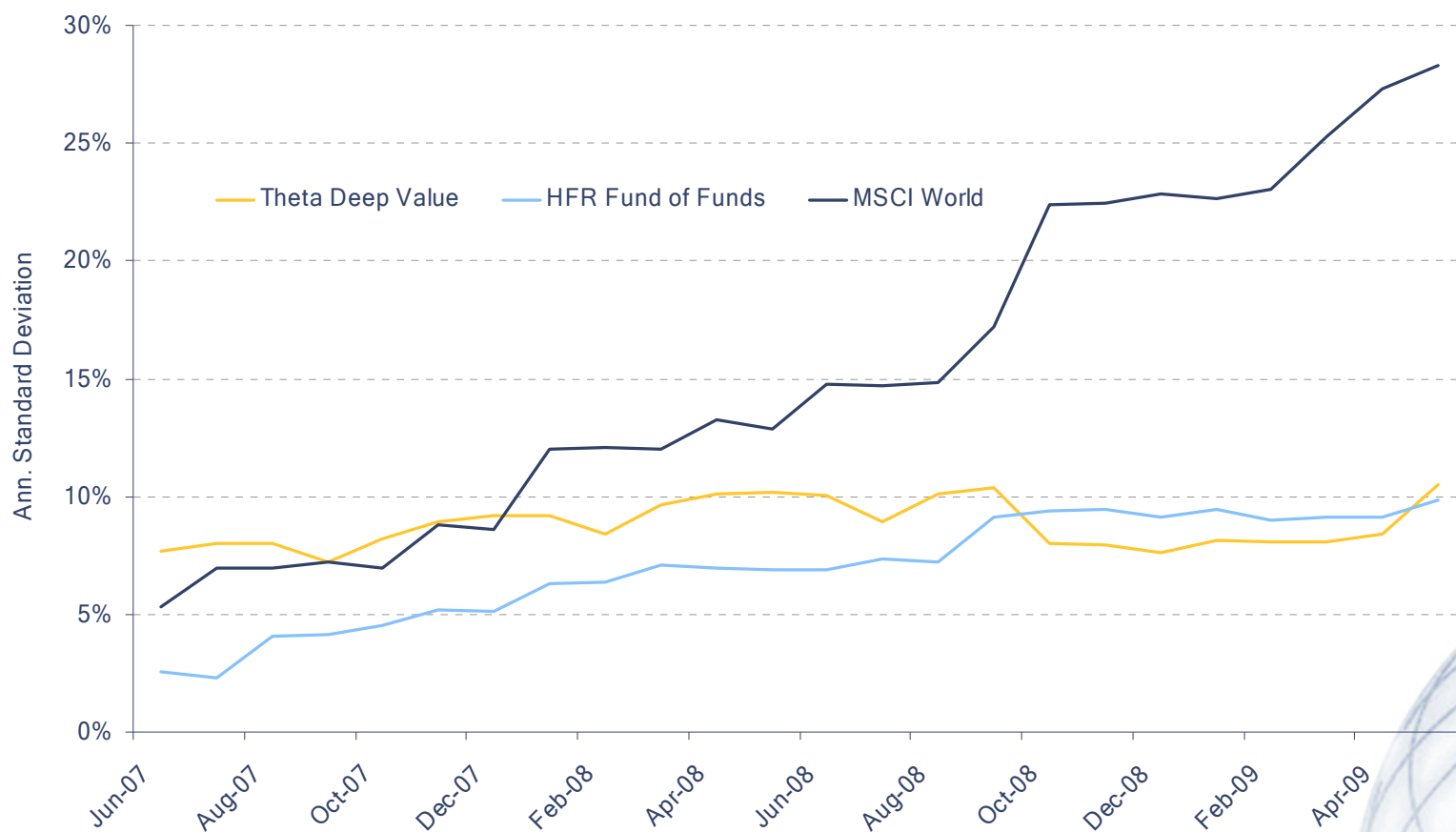
Performance contribution by strategy - YTD 2009





Theta Deep Value Fund

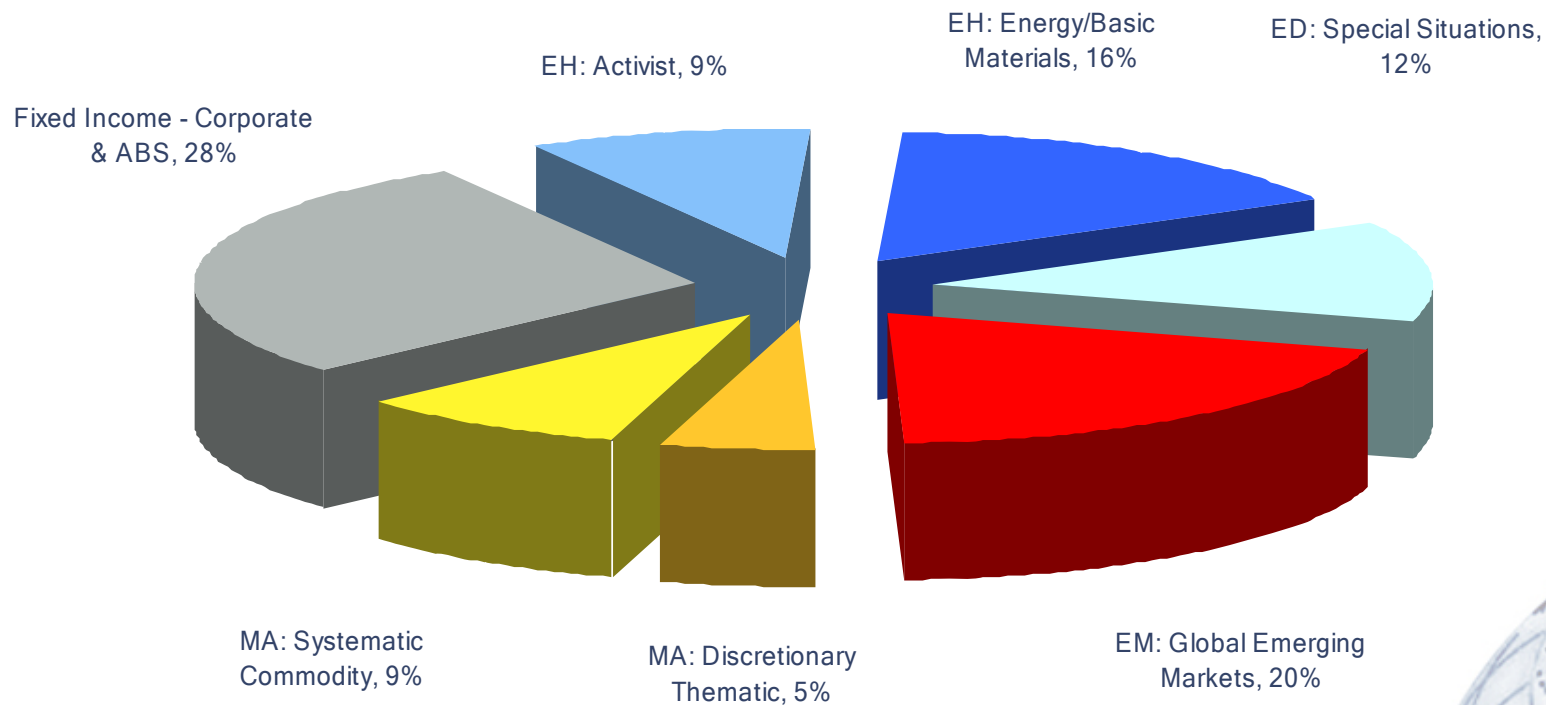
Stable risk profile





Strategy allocation

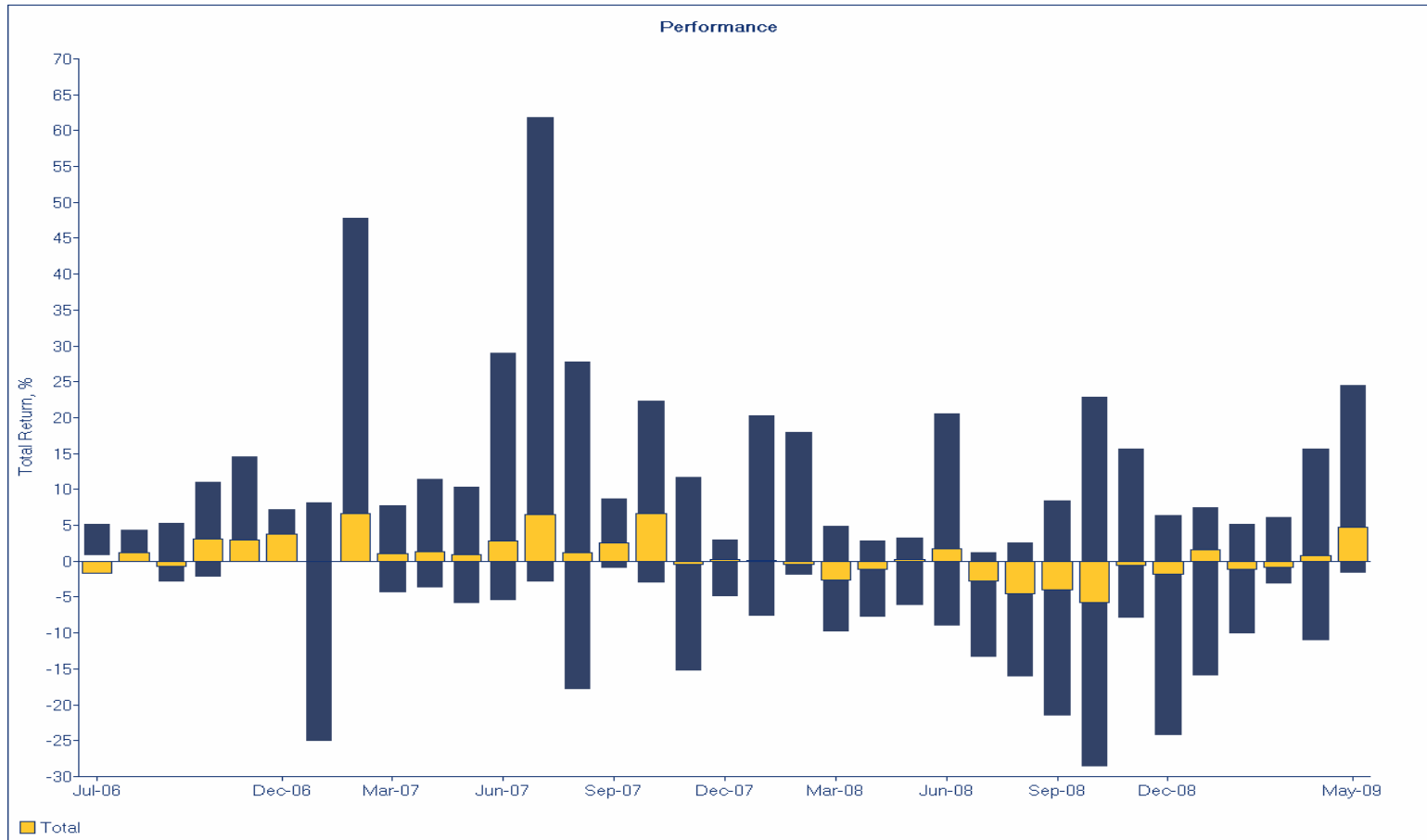
June 2009





Theta Deep Value Fund

Portfolio diversification





Theta Deep Value Fund

Current investment themes

- Recovery financials
- Recovery in convertibles
- Distressed corporate & ABS credit
- Global macro
- Commodities / Energy
- Emerging markets
- Activist investing

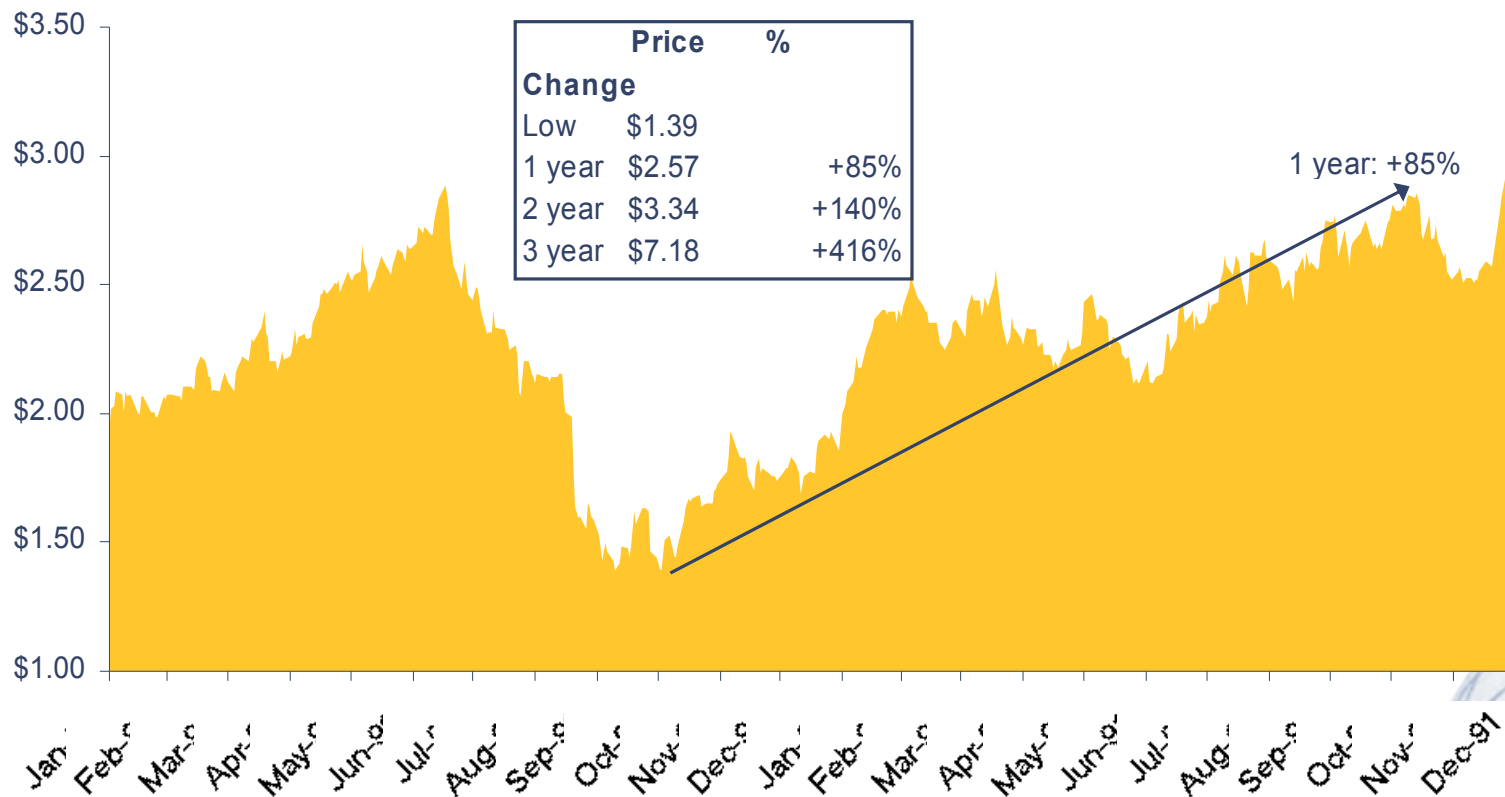




Recovery in financials

No short-term play

Citibank stock price

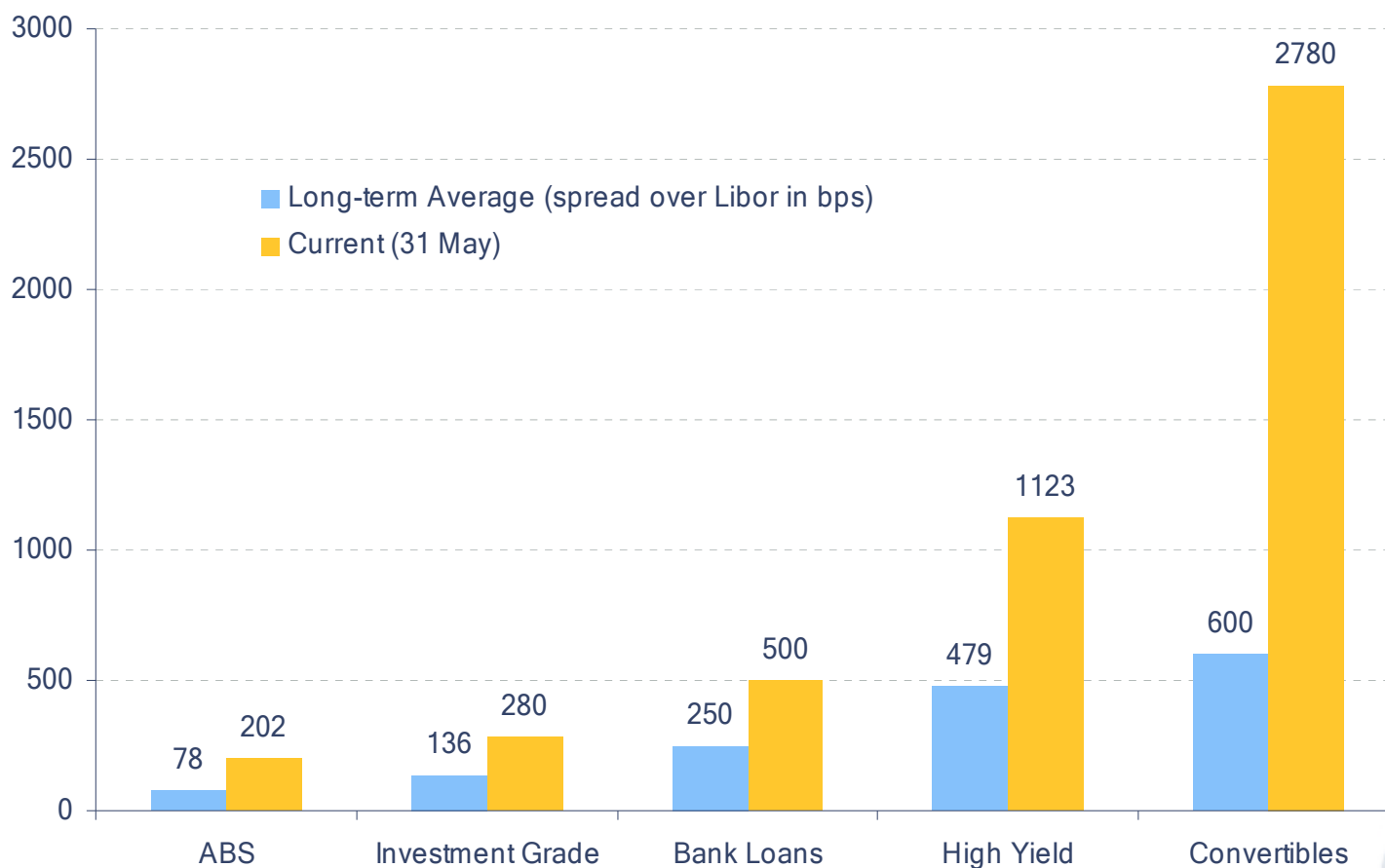


Source: Bloomberg



Recovery in convertibles

Still most oversold segment of US credit market



Source: Bloomberg





Recovery in convertibles

Stress periods for convertibles and subsequent 18m recovery

	ML US Conv Index	HFR Conv Arb Index	MSCI World	ML US HY Index
Average Drawdown	(17.2%)	(4.7%)	(17.1%)	(10.2%)
Average Recovery	32.0%	18.1%	14.7%	23.7%

Stress periods: Jul-Oct 1990, Feb-Jun 1994, Jul-Aug 1998, Mar-Nov 2000, Jan-Sep 2002, Jan-Apr 2005, Jun-Nov 2008 (Source: Bloomberg)

Current state of US convertible market:

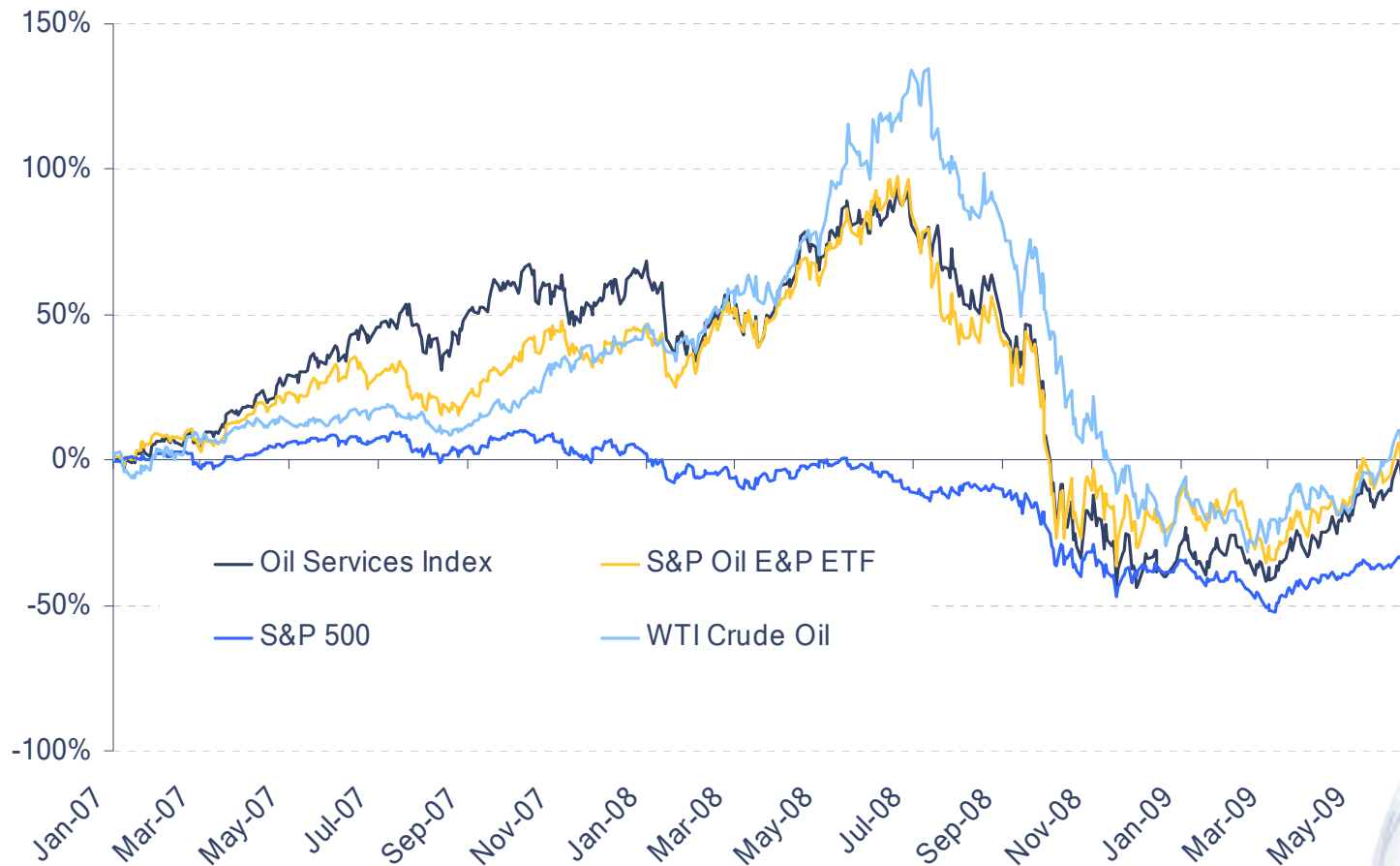
- Price: 1 out of 5 convertibles now trading below 40% of par
- Option: 1 out of 2 convertibles has option price of 0%
- Credit: remains close to widest spreads
- Default: implied cumulative default rate > 80% (= 16% p.a.)
- Fair value (model): some reversion but still well undervalued





Commodities / Energy

Volatile markets trading on fundamentals



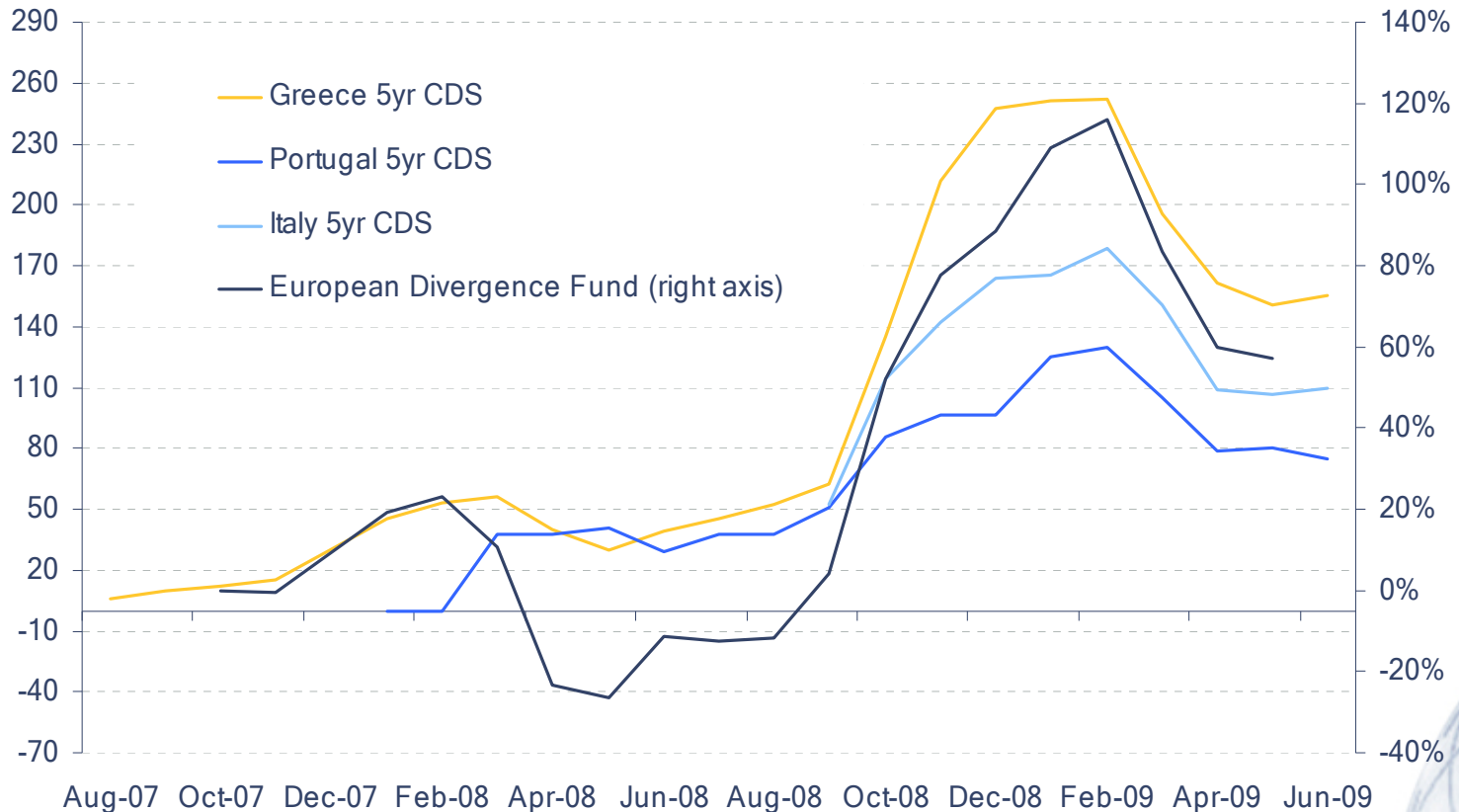
Source: Bloomberg





Global macro: European divergence trade

Short positions in PIGS provide hedge on portfolio level



Source: Bloomberg





Contact Details

Theta Capital Management B.V.

Johannes Vermeerstraat 9

1071 DK Amsterdam

The Netherlands

Telephone: +31 (0) 20 5722733

Fax: +31 (0) 20 5722744

E-mail: info@thetacapital.com

Website: www.thetacapital.com

