



# Theta Capital Management

## Investor Conference 2009

Wouter ten Brinke  
23 April 2010





# Theta Capital Management

## Products

Product	Investment style	Target return	Target volatility	Liquidity	Management fee	Performance fee
Theta Multistar Medium Volatility Fund	Diversified portfolio of single-strategy funds (25+ funds)	Euribor+5%	5-7%	Monthly	1.25%	10% (Hurdle rate Euribor+2%)
Theta Deep Value Fund	Concentrated portfolio of single-strategy funds (< 15 funds)	15-20%	None	Quarterly	0.50%	15% (Hurdle rate 8%)
Theta Legends Fund	Concentrated portfolio of multi-strategy funds (5-10 funds)	10%	None	Monthly (Daily trading)	0.50%	5% (Hurdle rate Euribor+2%)
Theta Select - Hedge Fund Platform	Customized by strategy, number of managers, risk profile and liquidity terms Minimum investment amount: EUR 10 million					

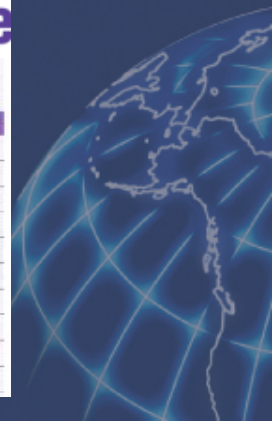


# Theta Capital Management Performance

Product	March	April*	2010 YTD*
Theta Multistar Medium Volatility Fund	+2.4%	+0.9%	+2.5%
Theta Deep Value Fund	+3.8%	+1.7%	+7.2%
Theta Legends Fund	+3.1%	+1.4%	+5.1%
HFRX Global Hedge Fund Index	+1.3%	+0.7%	+2.3%

\* Manager estimates. Source: Bloomberg, Theta Capital Management

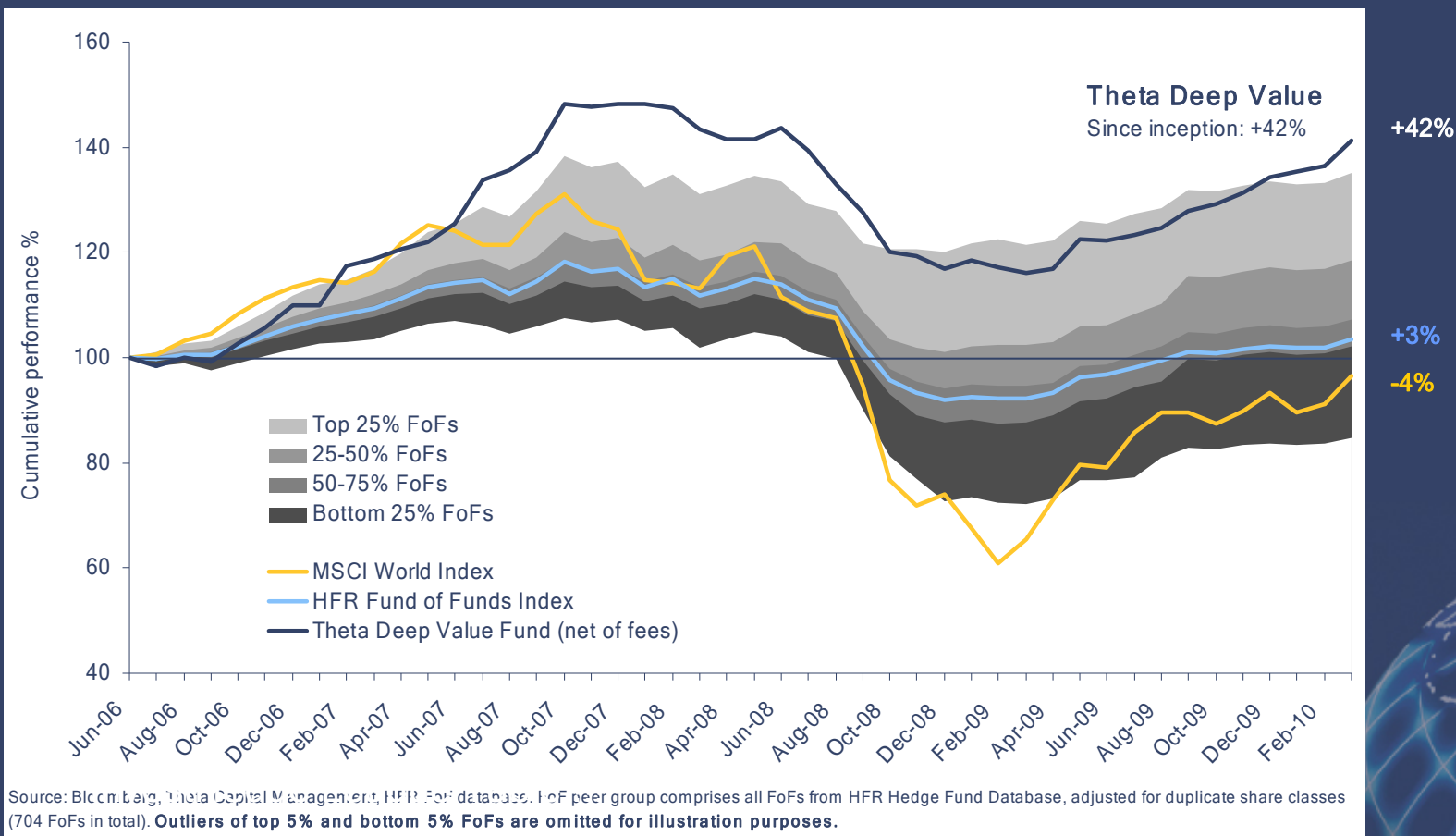
Top 10 funds by strategy over the last 3 months							InvestHedge
Fund name	Last 3 months (%)	Feb-10 (%)	Last 6 months (%)	Last 12 months (%)	YTD (%)	Annualised compound (%)	
Global Multi Strategy EUR							
Theta Deep Value Fund*	3.96%	0.80%	0.88%	1734%	1.61%	8.91%	Jul-06
Reyl Resurgence Fund EUR	3.79%	0.32%	8.44%	n/a	1.87%	18.09%	Apr-09
Trocadero Capital Holdings - EUR	3.57%	1.59%	6.90%	16.25%	1.34%	4.21%	Oct-03
Montier Multi-Strategy Fund of Funds - EUR	2.89%	0.41%	6.52%	12.36%	0.27%	3.64%	Jun-00
Ashton Select Fund - EUR	2.88%	-0.14%	5.08%	7.20%	0.94%	1.48%	Nov-05
Multi Alternatif Equilibre Euro	2.73%	0.70%	6.32%	13.49%	0.57%	2.67%	Nov-01
Culross H Fund - EUR	2.57%	-0.39%	6.02%	16.44%	0.66%	5.36%	Sep-07
Mosaic - EUR	2.41%	0.03%	5.14%	9.56%	0.32%	6.17%	Nov-03
Alpine Select	2.41%	1.20%	3.01%	20.85%	2.62%	3.43%	Apr-98
SAIL Multi-Strategies Fund - Topaz Class E - EUR	2.39%	0.51%	5.78%	17.58%	1.30%	2.66%	Mar-07





# Theta Deep Value Fund

Outperformance versus HFR fund of funds universe (704 funds)





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CAPITAL MANAGEMENT B.V.

# Theta Capital Management

## Selected investment themes

- Back to basics: focus on fundamentals
- Recovery financials
- Commodities / Energy
- Distressed opportunities:
  - Corporate bonds & bank loans
  - Asset-backed securities
  - Sovereign debt

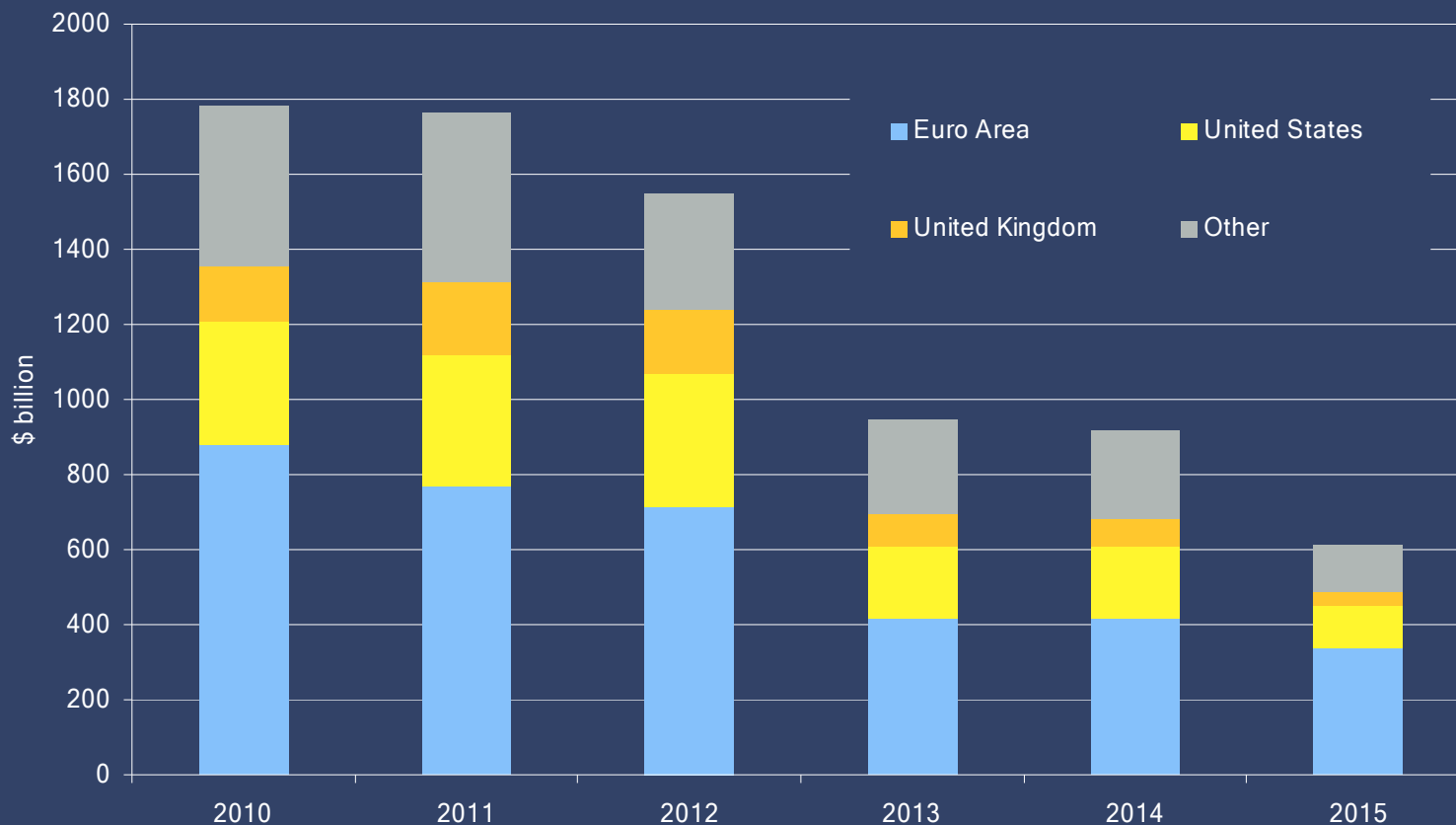




# Recovery in financials

## Financial sector faces a wall of refinancing

Bank debt rollover by maturity date



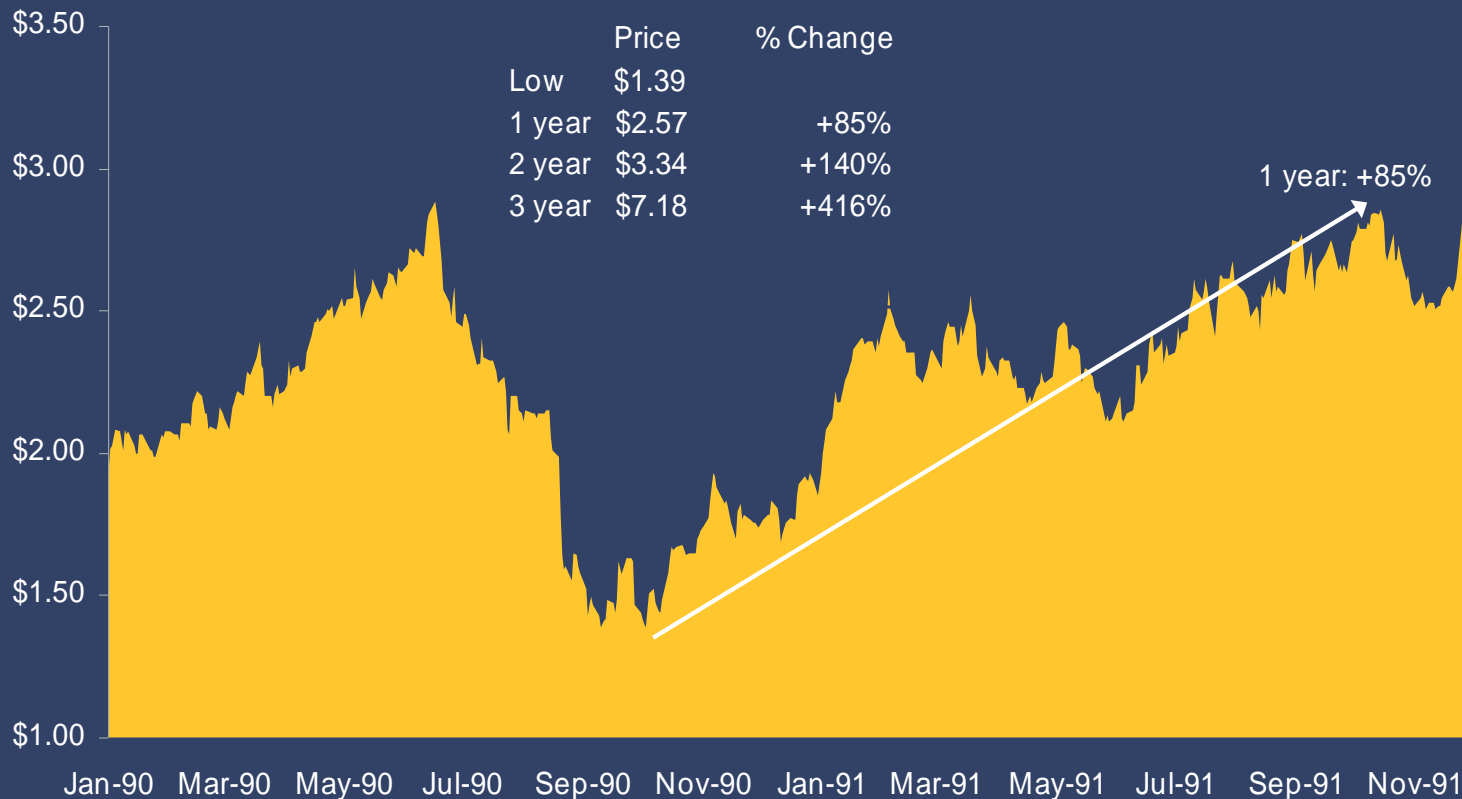
Source: IMF GFSR



# Recovery in financials

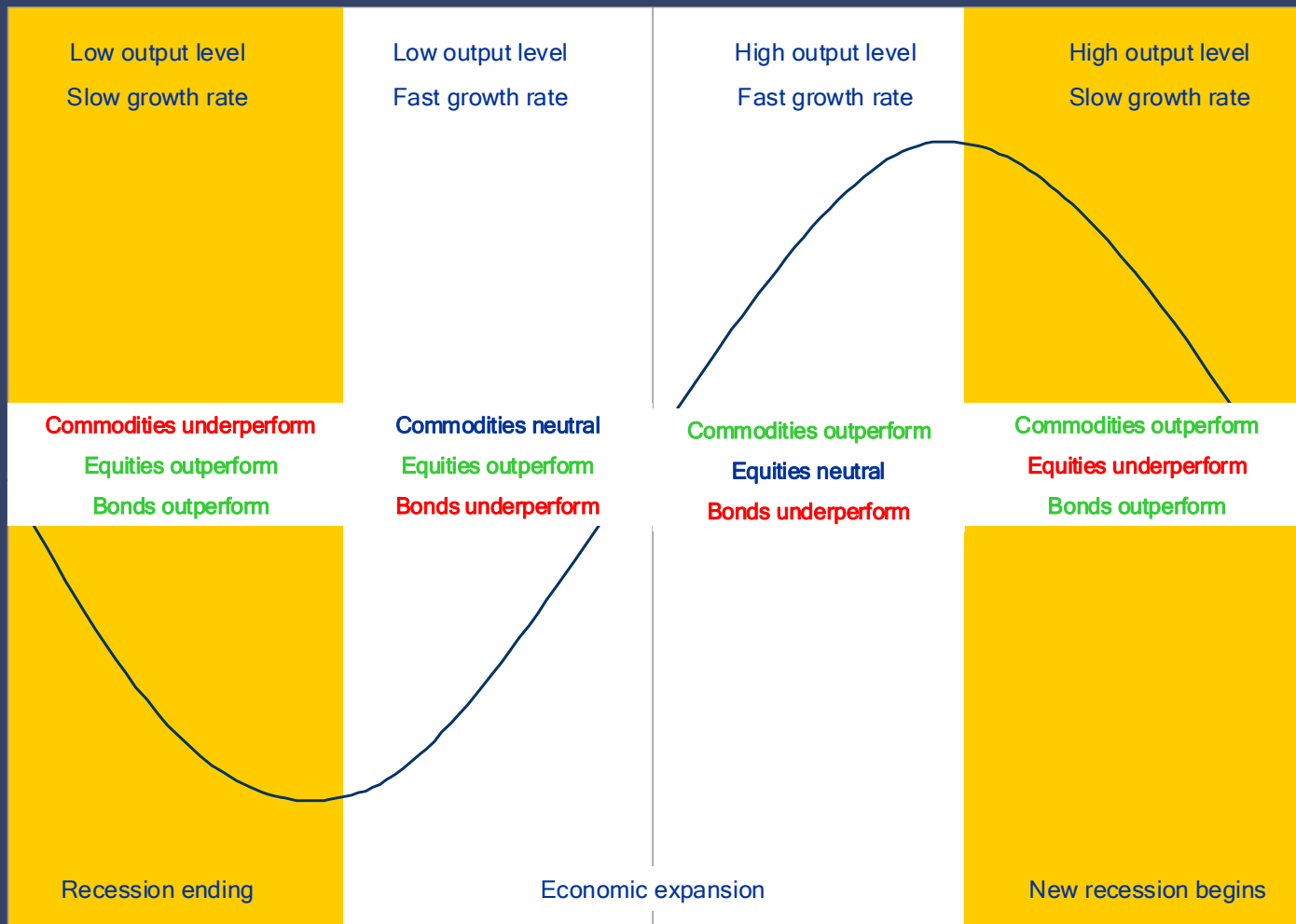
No short-term play

Citibank stock price





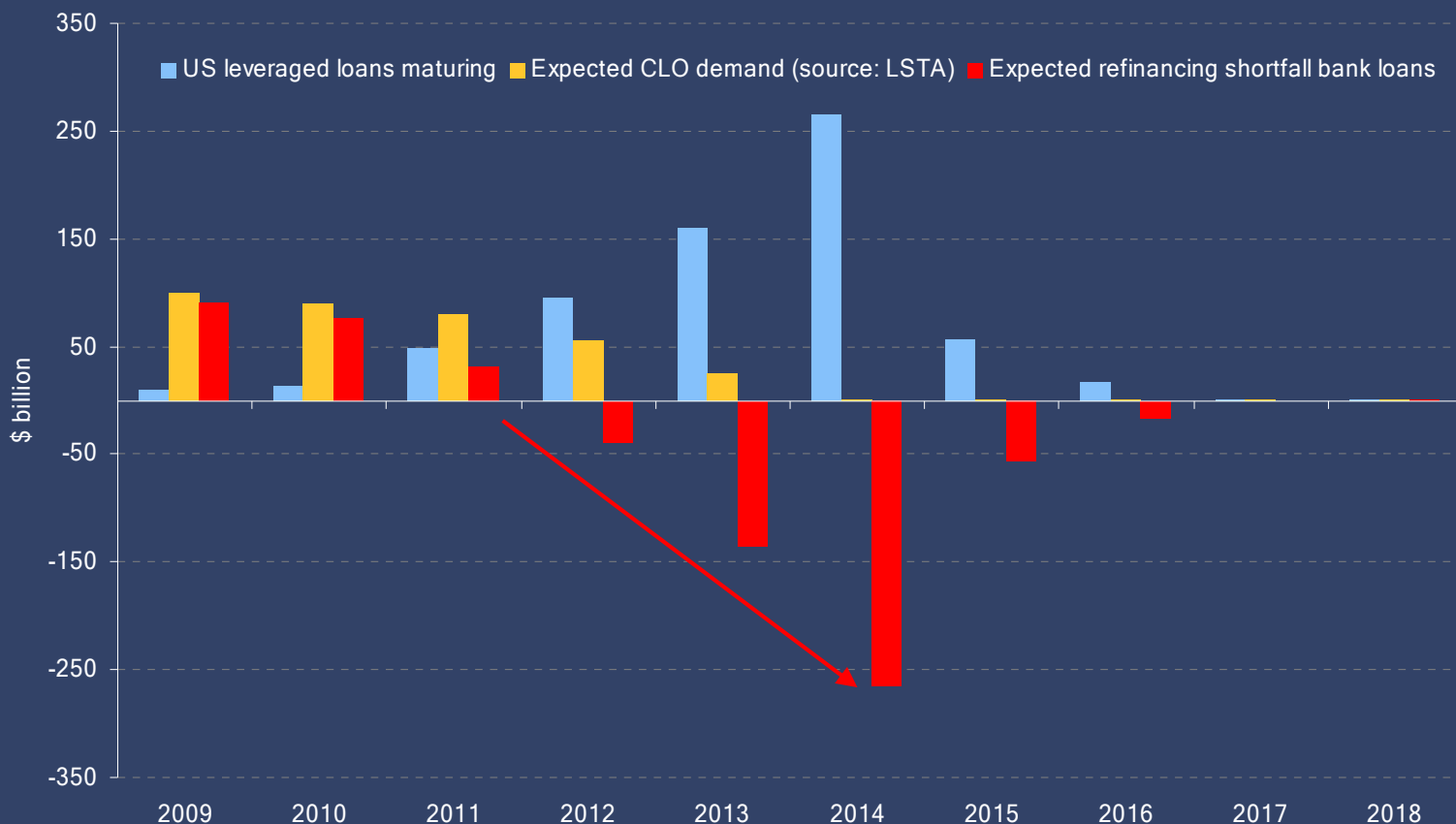
# Commodity investing through the cycle





# Distressed opportunities for years to come

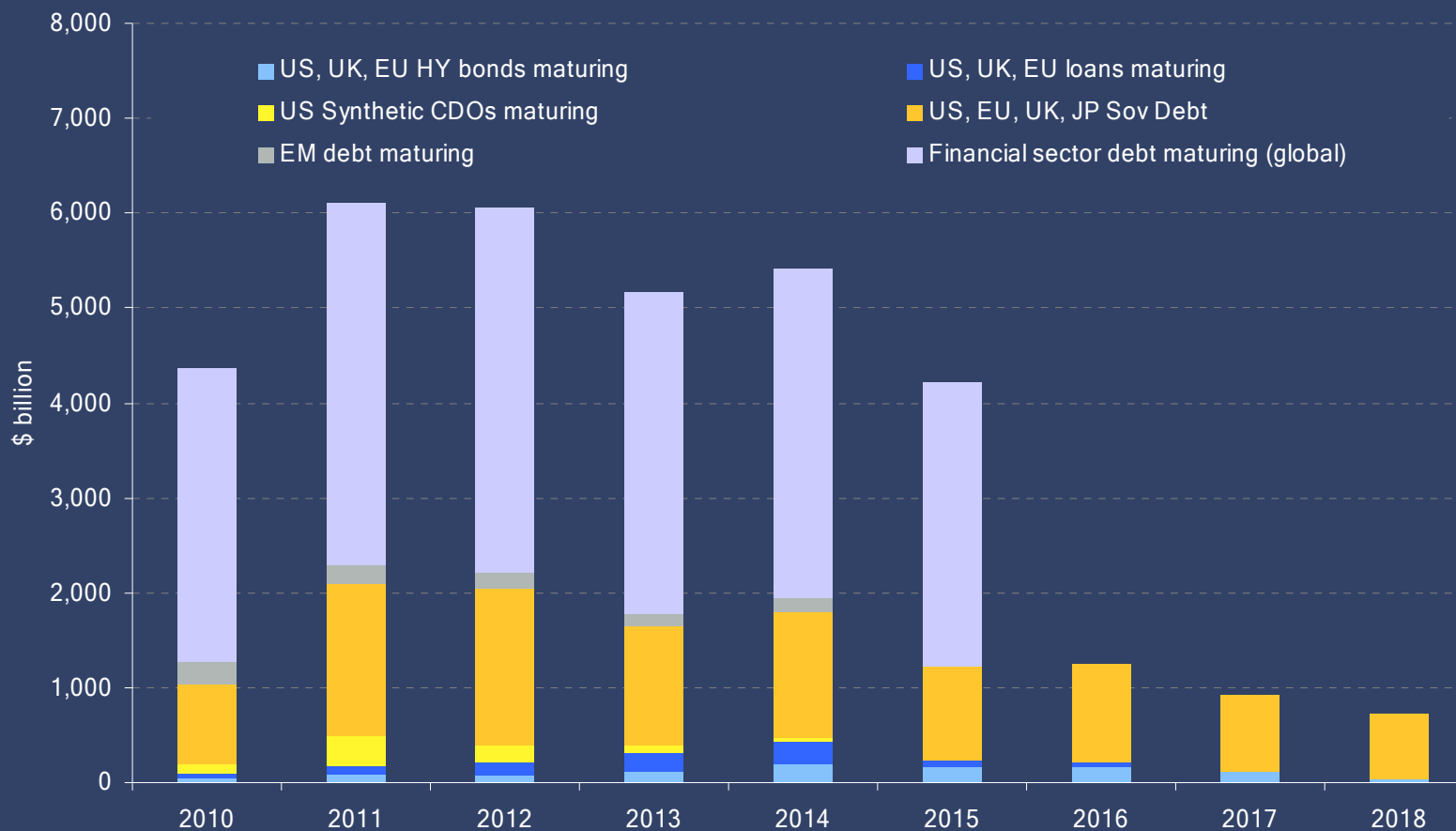
## Significant refinancing shortfall as CLO's are out of the game





# Wall of supply meets constrained demand

31% of the global bond market will be refinanced in next 5 years

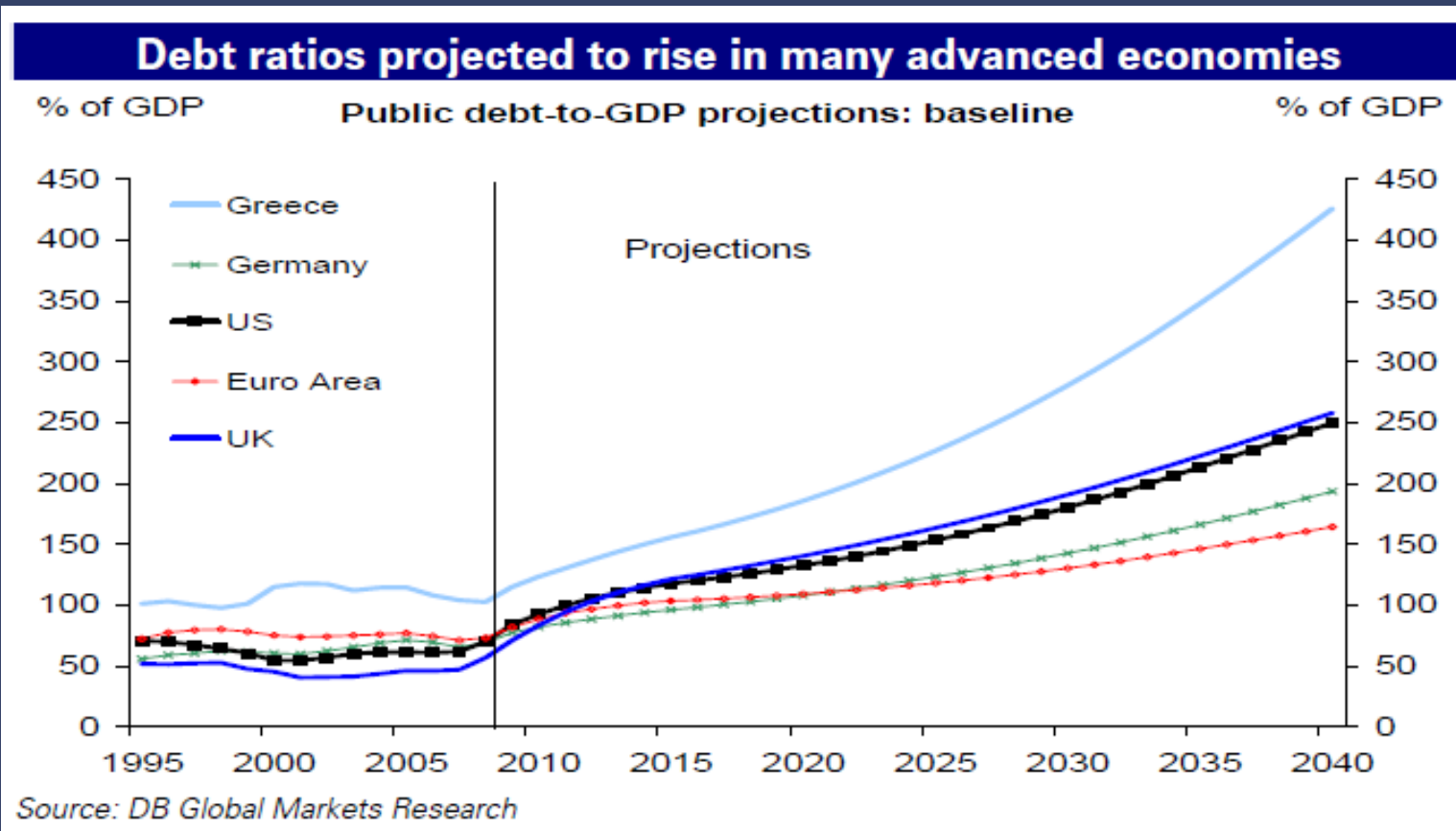


Source: S&P/LCD, LSTA, JP Morgan, IMF, GS, calculations Theta



# Sovereign opportunities

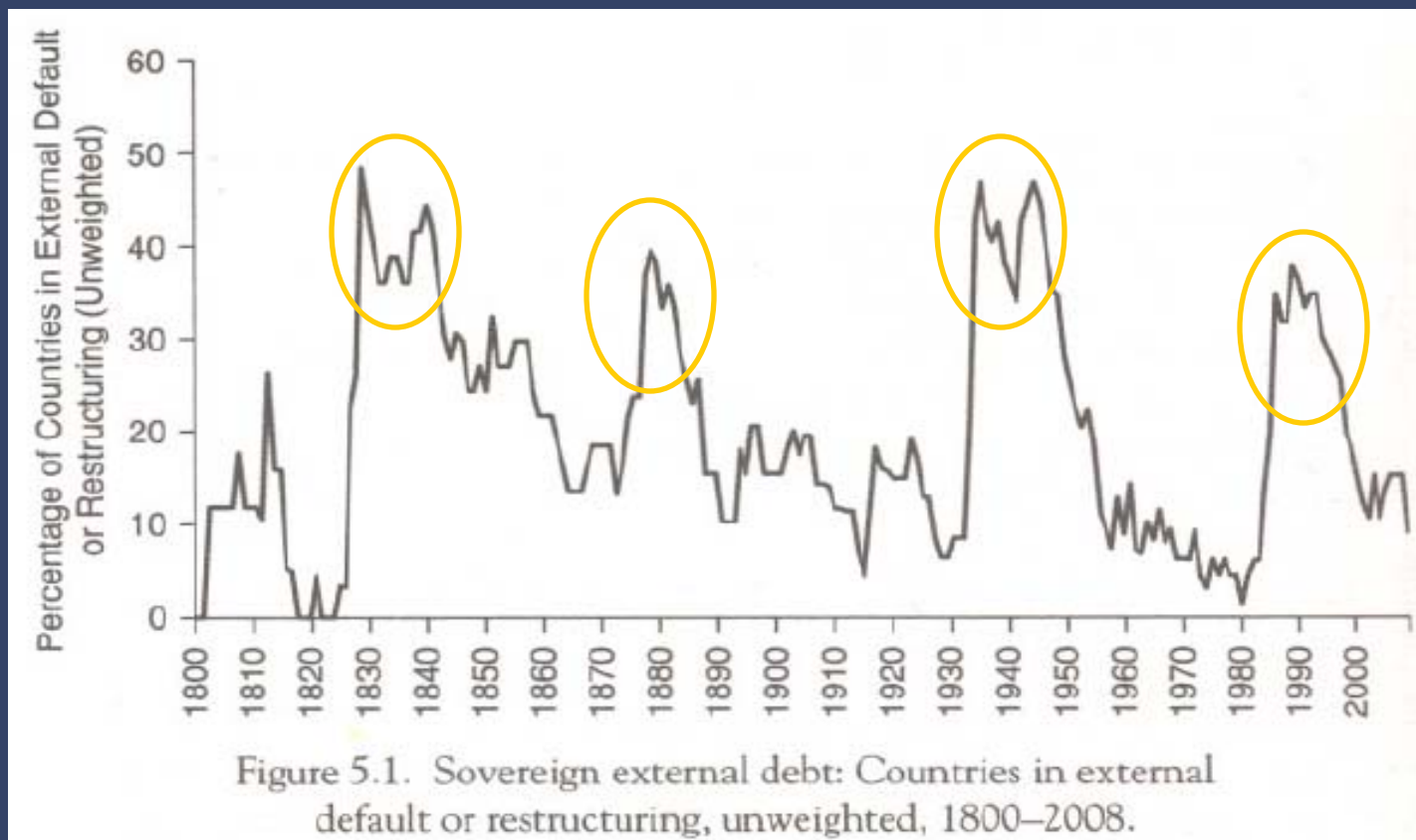
Public sector debt on unsustainable trajectory?





# Sovereign opportunities

This time is different?



Source: *This Time is Different, Eight Centuries of Financial Folly*, Carmen Reinhart & Kenneth Rogoff, 2009

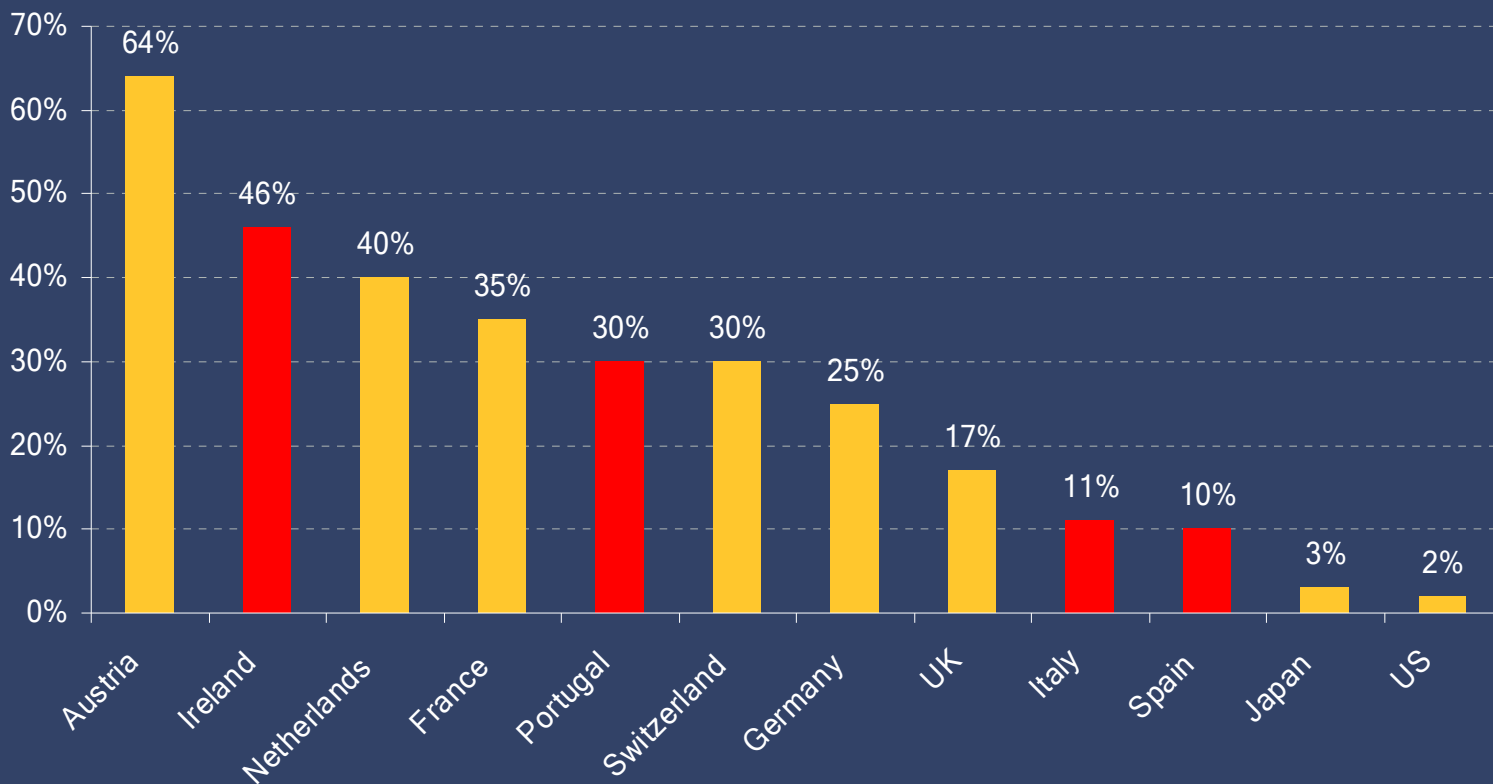




# European banks are vulnerable to PIIGS

Contagion within PIIGS countries is a problem

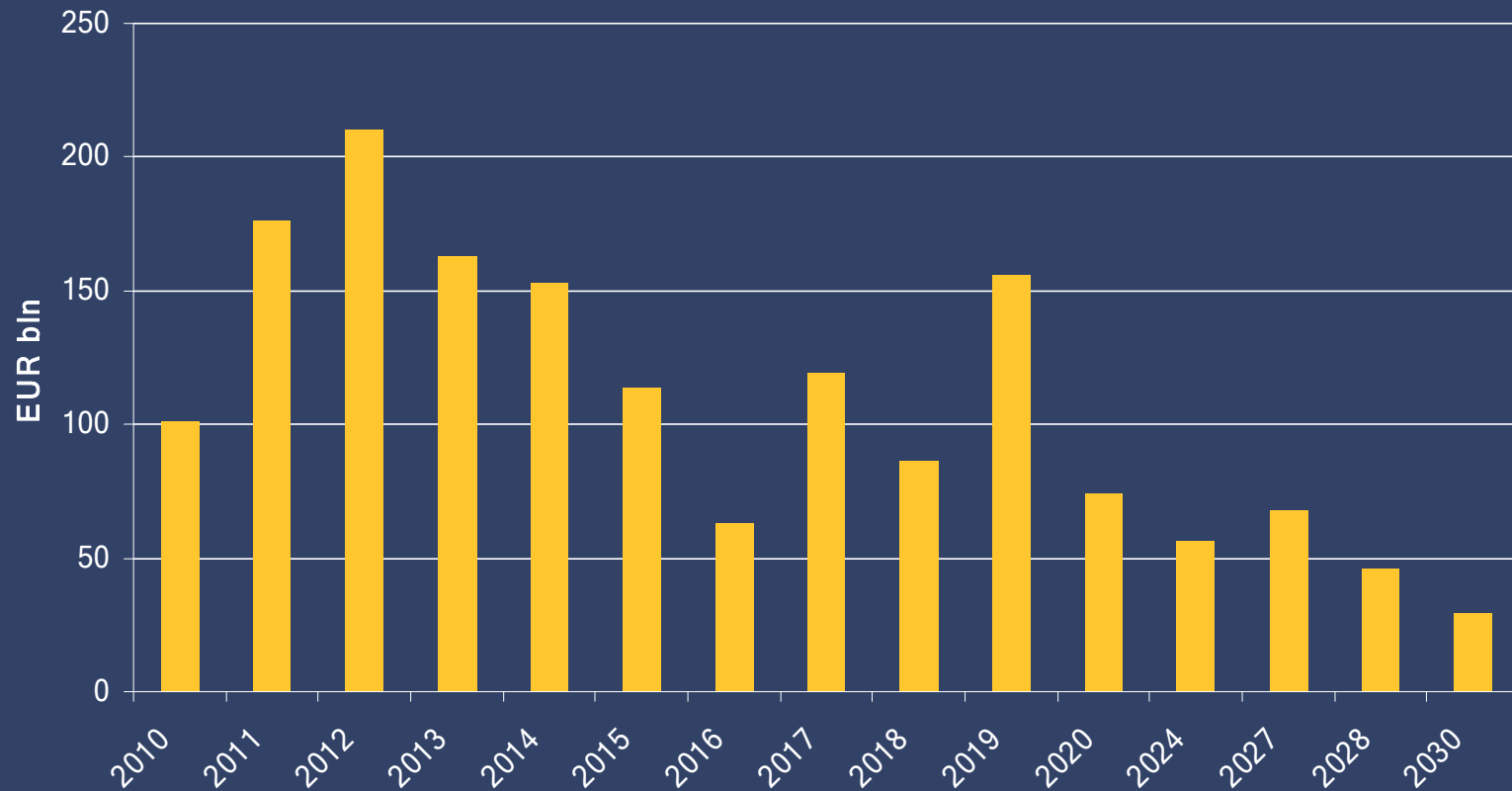
Banking sector exposure to 'troubled countries'  
(as % of GDP)





# Wall of refinancing for PIIGS government debt

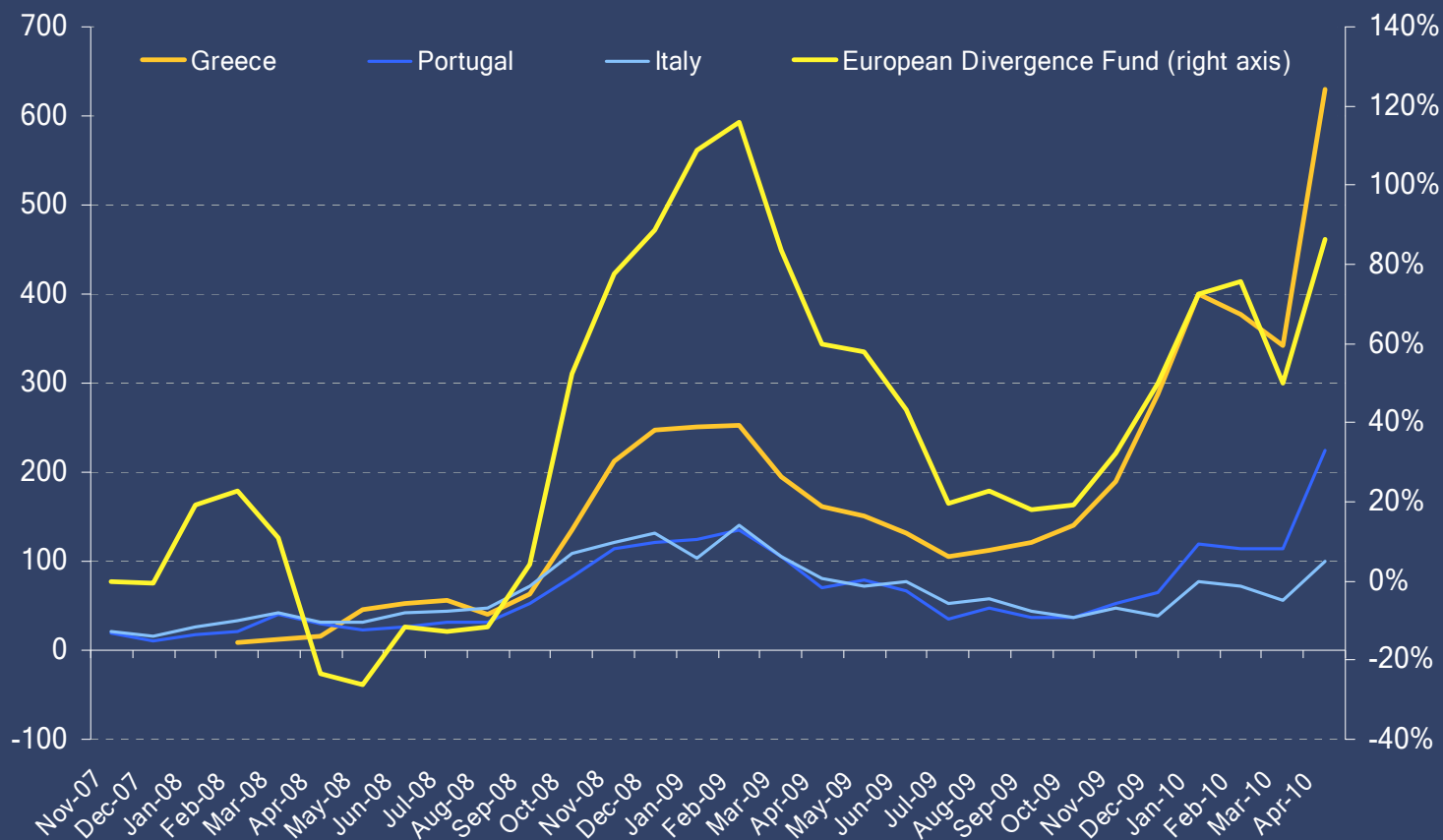
Maturity profile of PIIGS sovereign debt





# Sovereign opportunities: European divergence

Short positions in PIIGS provide hedge on portfolio level



Source: Bloomberg, Theta Capital Management

Source: Bloomberg





## Contact Details

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