



A research oriented advisory group specializing in identifying and analyzing unique hedge fund investments

The Short-Biased High Yield Portfolio

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Investment Manager

The Tradex Group, founded in 1998 and headquartered in Greenwich, Connecticut, has managed Hedge Funds, Fund of Hedge Funds and Fund of Managed Accounts portfolios primarily for institutional clients. Tradex Global Advisors ("Tradex") is owned and managed by Michael Beattie, Richard Travia and Jeffrey Trongone.

Tradex focuses on identifying and analyzing, both from an investment and operational perspective, unique hedge fund strategies that either demonstrate quality and sustainable risk-adjusted returns or offer unique, asymmetric return opportunities. We tend to find the most value and specialize in the analysis of niche, alpha producing hedge fund strategies.

Tradex has extensive hedge fund investment experience and a unique perspective, having made more than 500 hedge fund allocations. The firm's global macro view and its location in the hedge fund corridor help to facilitate information flow. The team's familiarity with and understanding of many different trading strategies allow them to recognize and differentiate quality, sustainable and alpha-centric hedge fund strategies and traders from their beta-driven counterparts.

Tradex has hired a Trading Advisor that has a dedicated team focused on high yield. The team has a tremendous amount of experience in investing across the capital structures of non-investment grade companies.

Tradex identified the short high-yield credit opportunity in 2006, and the strategy generated a 73.83%* cumulative net return from its inception in 2007 to its timely close in 2009. **(see data on page 9)**

Asymmetric Liquid Fund

- Tradex Global Short-Biased High Yield Portfolio is short-biased credit strategy that provides exposure to highly levered and mispriced US credits

Opportunity at a Critical Time

- Capitalize on the current asymmetric high yield credit market conditions – the opportunity to be short is now

Proven & Differentiated Portfolio Strategy

- Tradex has been very successful in short strategies over the years.
- Tradex has partnered with a very successful HY team that has demonstrated the ability to maximize return potential in being short "worst of breed" credits

Profile of Long/Short Exposure

- Shorts: Longer-dated, highly levered, fixed-rate, unsecured or subordinated bonds
- Longs: Shorter-dated, lower leverage, floating-rate bank debt/senior-secured securities (through single securities or an index)

Payout Profile

- Asymmetric projected payout range: +75% / -6.5%*

- ❑ **High Yield bonds currently trade at all-time low yields, offering investors the least amount of compensation ever for this risky asset class**
 - Asymmetric risk/reward equation to the downside with average price and yield of approximately 107 and 6.00%, respectively
 - Spreads remain marginally wide to historic lows but are arguably inflated given current monetary policy initiatives
- ❑ **Aggressive issuance trends suggest a cycle peak and a pending default wave**
 - Low-rated issuance (split-B and below) is 2x the amount leading up to the 2007 credit market peak
 - Access to cheap liquidity for inferior companies is readily available and issuance has largely been for refinancing legacy weak balance sheets
- ❑ **An uncertain and vulnerable liquidity (exit) dynamic exists in the market place**
 - Desperate reach for yield has caused unprecedented mutual fund/ETF buying. Year-to-date inflows into junk bond mutual funds of approximately \$34bln have set a new annual record, and ETFs have attracted 25% of all junk bond flows.
 - Traditional liquidity providers continue to de-risk and are hamstrung by Volcker/regulatory restrictions

The Fund targets four distinct types of short investments for the portfolio

Highly Vulnerable High Yield

Top Default Candidates

- Companies with greatest balance sheet, liquidity and business risk
- Inevitable restructurings, simply a matter of when
- Possess large quantity of debt ranking senior to targeted short security
- Little to no recovery potential in stressed scenarios (for junior securities)
- *Bonds with 70+ points of downside price potential*

"Vanilla" Vulnerable High Yield

Priced to Perfection

- Typical high yield issuer profile ("vanilla")
- Anticipated high leverage (typically >4x)
- Largely held by long-only sleepy accounts
- Incorrectly analyzed purely on a spread basis, not absolute return
- Sensitive to interest rate moves, in addition to credit deterioration
- Dependent upon capital markets to refinance at maturity
- *Bonds with approximately 30 points of downside price potential*

Momentum High Yield

Large Liquid Levered Issues

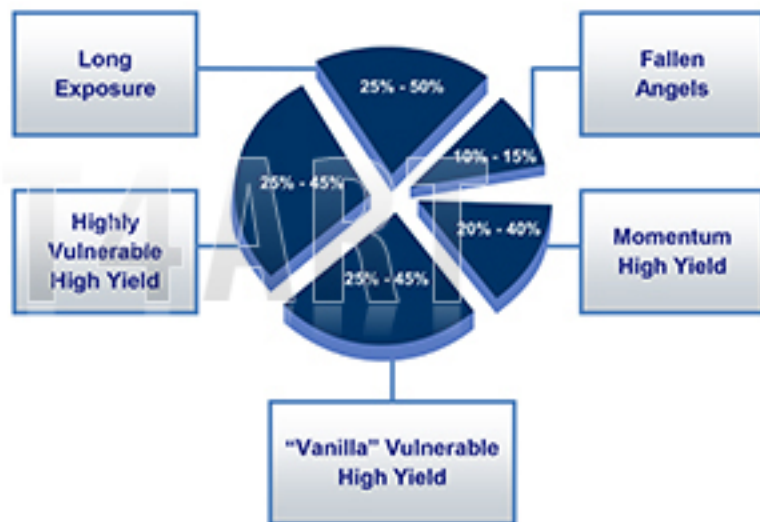
- Highly sensitive to market sentiment
- Highly sensitive to in-flows & out-flows
- Large coupons attract yield hungry buyers without appreciation for underlying credit analysis
- Lifeline highly dependent on accommodative capital markets
- Includes many LBO structures
- *Bonds with approximately 50 points of downside price potential*

Fallen Angels

Investment Grade & High Rated Junk

- Sensitive to interest rate moves, in addition to credit deterioration
- Low cost shorts with asymmetric downside risk
- Sensitive to secular shifts in business
- Potential to include short-biased sovereign trades
- *Bonds with approximately 20 points of downside price potential*

Number of Positions	50 - 70
Gross Exposure	Approximately 100% - 200%
Net Exposure	Approximately -50% to -100%
Position Size	Typically 2 - 4%
Industry Exposure	Typically <20% (usually at cost)
Target Annual Negative Carry	-3.0% to -6.5%
Geographic Exposure	Primarily North America
Securities	Cash bonds, loans, indices



High Yield Market

- \$1.25 Trillion
- 1,250 Issuers
- 5,000 Issuers
- 75 Industries

TGA SHY Master List

- \$850 Billion
- 1,600 Issues
- 550 Issuers
- 60 Industries

TGA SHY Focus Investible Universe

- \$125 Billion
- 300 Issues
- 150 Issuers
- 45 Industries

Profile Statistics * (median)	Price	Coupon	Yield-to-Worst	Maturity	Call Price	Call Date	Rating	Issue Size	Total Debt/EBITDA	EBITDA/Int rest	FCF/Debt
TGA SHY Focus Investible Universe	107	7.875%	5.4%	Early 2019	104	Early 2015	Single B	\$450m	5.6x	2.4x	3.4%

Issues may dynamically shift from the Master List to the Focus Investible Universe, and vice versa

Historical Returns, Net of Fees*

Audited performance from the short-biased high yield strategy managed in '07-'09

Value of a \$10MM investment in the strategy from inception to completion (January 2007-February 2009)

Cumulative Return Since Inception	73.83%
Annualized RoR	29.06%
Correlation to S&P 500	-0.61

Month	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	YTD	Cum RoR
2007	1.04%	-0.21%	0.59%	-0.55%	-0.31%	4.70%	11.01%	0.91%	-0.97%	0.37%	7.75%	2.14%	29.03%	29.03%
2008	7.70%	2.16%	-1.27%	-2.46%	-0.90%	4.63%	2.19%	0.60%	10.80%	23.77%	-4.37%	-5.64%	39.77%	80.34%
2009	-1.82%	-1.83%											-3.61%	73.83%

*Past performance does not guarantee or indicate future results and no representation is made that an investor will, or is likely to, achieve similar results to those shown. All performance data shown herein is that of the Trading Advisor's Fund managed from 2007-2009. Tradex Global SPC Ltd FAO the Short-Biased High Yield Portfolio will be managed using a similar investment objective and process as that of prior fund. Performance information with respect to the prior fund contained herein was provided by the Trading Advisor and is believed to be reliable, but we cannot guarantee its accuracy or completeness. Audited Financials for the prior fund can be made available to investors upon request. The predecessor Fund managed by the Trading Advisor achieved results that may have been influenced by material market or economic conditions. There can neither be any guarantee that similar conditions will be present, nor any guarantee that similar results can be achieved. The results shown are net returns based on a 1.5% management fee and a 20% incentive allocation. Performance returns assume an initial capital investment was made at the inception date of the fund with no further capital contributions or capital withdrawals having been made by the investor after the inception date of the fund. As a result, actual performance returns may have differed from reported performance returns. THERE CAN BE NO ASSURANCE THAT TRADEX GLOBAL ADVISORS' TRADING OBJECTIVE WILL BE ACHIEVED OR THAT INVESTORS WILL NOT INCUR LOSSES. THE TRADING PROGRAM ENTAILS A HIGH DEGREE OF RISK.

Tradex Global Advisors strives to produce absolute returns, while considering the risks associated in the portfolio, and is committed to preserving every client's capital. In keeping with the spirit of transparency we are inclined to highlight some of the trading and investment risks that are involved when investing in the Short-Biased High Yield Portfolio:

- Continued inflows into income generating assets (high yield bonds) at any price, which could result in passage of time/negative drag
- Corporate deleveraging among the most levered issuers, which could require major economic growth and/or stock issuance
- M&A takeout by a higher rated/investment grade company, which could result in bonds trading to acquirers' costs of capital or getting tendered

Jeffrey Trongone, *Partner & President*

- Mr. Trongone serves as President of Tradex Global Advisors. He is responsible for commercial activities of the firm as well as relationships with investors. Prior to Tradex, Mr. Trongone founded and was CEO of Malbec Partners, an alternative investment company having multiple hedge fund investment teams, extensive risk management capabilities and a disciplined business infrastructure. Prior to Malbec Partners, he was Managing Director and CFO of Fischer Francis Trees & Watts, a boutique fixed income asset manager affiliated with BNP Paribas. Mr. Trongone was Chief Operating Officer for Third Point LLC, a multi-billion event-driven hedge fund, responsible for all non-investment activities and risk management. Prior to that, Mr. Trongone was Managing Director, CFO and a member of the Executive Committee of JP Morgan's asset management business. Mr. Trongone began his career at KPMG. He is a Certified Public Accountant and is a graduate of Fordham University.

Michael Beattie, *Partner & Chief Investment Officer*

- Mr. Beattie serves as Chief Investment Officer of Tradex Global Advisors. He directs all investment activities. Mr. Beattie has substantial institutional trading and private investment management experience, including prior to co-founding Tradex Global Advisors, the co-management of the Select Access Family of Funds from 2002-2004. From 1987 to 2001, Mr. Beattie was a partner with Virgo, a \$100 Million manufacturing company where he was responsible for strategic development and design, as well as for running the company's receivables book and structuring a factoring credit facility with CIT. Mr. Beattie has been a successful private investor for more than 30 years, investing in hedge funds since 1998, managing family fund of hedge funds investment vehicles as well as making direct investments in diverse asset classes including equity, real estate, derivatives, hedging instruments and commodity futures. Mr. Beattie is a graduate of State University of New York.

Richard Travia, Partner & Director of Research

- Mr. Travia serves as Director of Research and Chief Compliance Officer of Tradex Global Advisors. He is a key member of the investment team and is involved in strategy, investment, allocation and risk management decisions. He focuses on hedge fund manager and strategy due diligence, selection and monitoring, while overseeing the R&D for Tradex's systematic models. Mr. Travia helped build and launch Tradex's proprietary ranking models that aid in manager identification and selection. Prior to joining Tradex Global Advisors, Mr. Travia worked with Mr. Beattie as the lead analyst for the Select Access Family of Funds. Mr. Travia was a member of the Investment Committee and focused on strategy, risk, investment and allocation decisions. Mr. Travia is a graduate of Villanova University and is currently a Senator on the University Senate.

K. Daniel Libby, CFA, Senior Portfolio Manager

- Mr. Libby serves as Senior Portfolio Manager of Tradex Global Advisors. He is responsible for all internally and externally managed fixed income strategies. Prior to Tradex, Mr. Libby managed a liquid long/short agency mortgage hedge fund for James Alpha LLC, the family office for Denis Nayden, retired CEO of GE Capital. Previously Mr. Libby managed several hedge funds, including Vantage Point Partners LP a distressed mortgage credit fund and the Select Access Family of Funds, a series of specialized global multi-strategy fund of hedge funds. Prior to that, Mr. Libby was a Director at BlackRock, Inc. in their risk management service bureau, BlackRock Solutions where he was responsible for many of their largest accounts. Mr. Libby began his asset management career at the IBM Retirement Fund as Investment Manager of their \$4.5 billion fixed income asset class. After graduate school, Mr. Libby began his career at Goldman Sachs in their Mortgage Research Department and later left research to join Nomura Securities where he was responsible for new issue syndications for the mortgage trading desk. He is a CFA charter holder and has both an undergraduate and master's degree from Columbia University. He currently serves as university senator for Columbia University.

INVESTMENT VEHICLE	Short-Biased High Yield Portfolio
Minimum Investment	\$500,000 USD
Redemption Terms	Monthly with 60 Days Notice
Subscription Terms	Monthly
Management Fee	1.50%
Incentive Fee (Annual Crystallization)	20%
Side Pockets	No
Auditor	BDO USA, LLP
Administrator	SS&C Technologies Inc.
Prime Broker	J.P. Morgan
References	Available Upon Request

DISCLAIMER

This document does not constitute an offer to sell or a solicitation of an offer to buy the Fund described herein. No such offer or solicitation will be made prior to the delivery of a definitive offering memorandum and other materials relating to the matters herein. Before making an investment decision with respect to Tradex Short-Biased High Portfolio, potential investors are advised to read carefully the offering memorandums and the related subscription documents, and to consult with their tax, legal and financial advisors. This document contains a preliminary summary of the purpose and principal business terms of Tradex Global Short-Biased High Yield Portfolio; this summary does not purport to be complete and is qualified in its entirety by reference to the more detailed discussions contained in the private offering memorandums. Tradex Global Advisors, LLC has the ability in its sole discretion to change the materials and information herein. This document is being provided to you on a confidential basis solely to assist you in deciding whether or not to proceed with a further investigation in Tradex Global. Accordingly, this document may not be reproduced in whole or part, and may not be delivered to any person without the consent of Tradex Global Advisors, LLC.

- **Trading Risks:** All securities investments risk the loss of capital. We believe that the Fund trading program and research techniques will moderate this risk through a careful selection of securities. The Fund may use certain trading techniques such as trading in put and call options and other derivatives, distressed securities, short sales and forward contracts, and the use of substantial amounts of leverage and margin, which practices may increase the adverse impact to which the Fund may be subject. The Fund's portfolio may not be diversified by industry.
- **Limited Operating History:** The Funds have no operating history. The predecessor Fund managed by the Trading Advisor achieved results that may have been influenced by material market or economic conditions. There can neither be any guarantee that similar conditions will be present, nor any guarantee that similar results can be achieved. The results shown are net returns based on a 1.5% management fee and a 20% incentive allocation. Performance returns assume an initial capital investment was made at the inception date of the fund with no further capital contributions or capital withdrawals having been made by the investor after the inception date of the fund. As a result, actual performance returns may have differed from reported performance returns. **THERE CAN BE NO ASSURANCE THAT TRADEX GLOBAL ADVISORS' TRADING OBJECTIVE WILL BE ACHIEVED OR THAT INVESTORS WILL NOT INCUR LOSSES. THE TRADING PROGRAM ENTAILS A HIGH DEGREE OF RISK.**
- **Business Dependent Upon Key Individuals:** The success of the Fund is expected to be significantly dependent upon the involvement and efforts of Michael Beattie, Richard Travis & Jeffrey Tringone, as well as their Trading Advisor.
- **Incentive Allocation/Performance Fees:** The allocation of 20% of net capital appreciation to the Investment Manager may create an incentive for it to take positions which are riskier than would otherwise be the case.
- **Valuation:** The valuation of securities for which market quotations are not readily available will be determined by management and not by an independent valuation source.
- **Absence of Regulatory Oversight:** None of the Funds are registered as an investment company under the Investment Company Act of 1940, as amended, and, accordingly, the provisions of the 1940 Act (which, among other things, require investment companies to have a majority of disinterested directors, require securities held in custody to be individually segregated and regulate the relationship between the advisor and the investment company) are not applicable.
- **Indemnification:** The Funds' organizational documents contain broad indemnification provisions in favor of management.
- **Limited Liquidity:** An investment in the Fund is suitable only for sophisticated investors who have no need for current liquidity. There will be no secondary market for interests in the Funds. The Fund may invest in illiquid securities.
- **In-Kind Distributions:** It is possible that investors will receive distributions "in-kind" rather than in cash.
- **Projected Payout:** Projected payout is calculated by the Sub-Advisor and is derived from a good faith estimate of the potential gains over the life of the strategy (which is undefined and may never be realized), vis-à-vis the costs to carry the underlying investments and the potential losses associated therewith. As such, actual results could differ materially from the projected payout range.