*for* **New Managers and Members**

**Creating Your Fund Profile**

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|  | **Example** | **Your Information** |
|  | STRATEGY |  |
| **OVERVIEW** | The Fund aims to generate compelling absolute returns by using fundamental analysis of individual companies to identify securities across the capital structure in which to trade actively  The Fund will focus on securities for which there is an asymmetric tradeoff between fundamentally determined downside (upside) values and potential for price movement higher (lower) for long (short) positions.  Superimposed upon this trading activity is a risk management framework that aims to make the returns agnostic to market conditions, in order to prioritize the preservation of capital |  |
| **INVESTMENT UNIVERSE** | Listed equities, listed equity options, public bonds |  |
| **DIFFERENTIATORS / VALUE PROPOSITION** | * We use a broad demarcation of events in defining our investment universe * We believe we have a unique and independent firm-wide process for identifying investment opportunities and conducting due diligence * We utilize a proprietary methodology for sizing individual positions and managing portfolio-level exposures * We believe that this drives the construction of a differentiated portfolio, with risk-managed for consistency * Strong investment team |  |
| **ENVIRONMENTS YOU DO WELL** | * Stable/declining correlations given our long/short setup * Sufficiently high volatility * Point Frederick benefits from volatility, unlike many hedge fund strategies that sell volatility. |  |
| **ENVIRONMENTS YOU DO POORLY** | * High correlation (unstable/rising correlations) on both sides of long/short portfolio * Low volatility where it is hard to distinguish between winners and losers. |  |
| **CAPACITY** | $1B |  |
|  | INVESTMENT PROCESS |  |
| **IDEA GENERATION** | We invest in developed markets special situations across the capital structure.  We have a broad definition of event that includes exploiting corporate M&A, corporate actions, spinoffs, turnarounds, financial restructurings (both in and out of court), sector disruptive events, and macro disruptions, the combination of which gives us an opportunity set that spans the credit cycle |  |
| **ANALYSIS** | Three steps in selecting an individual investment idea:   1. Portfolio construction: Proprietary position sizing formula that relies upon five factors: the estimate of the “Risk Price”, the estimate of the “Target Price”, the current price, the maximum percentage of the portfolio he would be prepared to have invested in the name, and a discretionary input called the “Risk Speed”. 2. Idea generation: The portfolio manager relies upon four tools to generate candidate names: a proprietary screening tool, event-driven news flow, general news flow, and the team’s experience in various sectors. 3. Due diligence: The analysts initially do the first of three stages of analysis, called “the Triage”. |  |
| **PORTFOLIO MANAGEMENT** | This overall approach to selecting candidate names ties individual position sizing and portfolio-level exposure management together in a systematic way.  For a given maximum percentage and risk speed combination, individual names are sized in order of their respective reward-to-risk tradeoffs, with the most attractive reward-to-risk tradeoffs meriting the largest position sizes, ceteris paribus.  To the extent that an individual position is making money, the portfolio manager will size it up by increasing the maximum percentage.  Also, the portfolio manager will look to optimize the individual risk speed given the historical and forecast volatility in the name. |  |
| **RISK MANAGEMENT** | The CIO measures and tests liquidity by evaluating historical and estimated trading liquidity with the ongoing rebalancing of the portfolio before entering into a putative trade using metrics such as:   * The average daily volume * The percentage of shares outstanding represented by the free float * The percentage of the free float that is sold short |  |
| **KEY MAN CLAUSE** | No |  |
|  | FUND DETAILS |  |
| **SERVICE PROVIDERS** | Prime Broker: Cuttone & Company  Administrator: SS&C Technologies, Inc.  Bank / Custodian: JP Morgan  Auditor: EisnerAmper LLP  Legal Counsel: Katten Muchin Roseman LLP | Prime Broker:  Administrator:  Bank / Custodian:  Auditor:  Legal Counsel: |
| **REPORTING / INVESTOR RELATIONS / ELIGIBILITY** | Financial Statement / Audit Date: 12/31  Report Frequency to Investors (NAV): Monthly  Eligible Investors: Qualified Purchaser | Financial Statement / Audit Date:  Report Frequency to Investors (NAV):  Eligible Investors: |
| **AUM** | Fund AUM ($mm): 100  AUM Date: Mar 2018 | Fund AUM ($mm):  AUM Date: |
| **FUND STRUCTURE** | Legal Name: Point Frederick Equity Fund, LLC  Open / Closed Ended: Close Ended  Fund Status: Open  Tax Structure: Master Feeder | Offshore | Onshore  Domicile Country: United States  Tax Efficient: No  Ticker: POFRE | Legal Name:  Open / Closed Ended:  Fund Status:  Tax Structure:  Domicile Country:  Tax Efficient:  Ticker: |
|  | FIRM DETAILS |  |
|  | Firm AUM ($mm): 100  AUM Date: Mar 2018  Inception date: March 2010  Contact email address: info@point.com | Firm AUM ($mm):  AUM Date:  Inception date:  Contact email address: |