

# Factsheet

## HEDGE FUNDS BASKET

### Hedge Funds Basket facts

Launched on	November 2022
Format	Hedge Funds Basket
Strategy Manager (SM)	Toledo Capital AG
SM regulated by	FINMA
Liquidity	One month with one month notice
ISIN Number	CH1161139063
Minimum Investment	10 000 USD
Currency	USD
Currency Risk	Low
Leverage	None
Registered	Luxembourg
Management fee	0% p.a.
Performance fee	10%
Structure-maintenance fee	0.3% p.a.
Administrator	GenTwo
Paying Agent	ISP Securities

### Unique Selling Proposition Checklist

<input checked="" type="checkbox"/> Strategy Manager	Toledo Capital AG
<input checked="" type="checkbox"/> S. Manager's Experience	10 Years
<input checked="" type="checkbox"/> Underlying Fund Manager	Access to top hedge fund managers
<input checked="" type="checkbox"/> Hedge Fund Styles	<ul style="list-style-type: none"> <li>Diversified &amp; complementing styles in one basket</li> <li>Mostly UCITS funds which are highly liquid &amp; regulated.</li> </ul>
<input checked="" type="checkbox"/> Net target return	> 7% with low volatility
<input checked="" type="checkbox"/> Out-performance vs Index Y/N	Yes* (Alpha generating)

### Investment Methodology

Toledo Capital seeks to invest in the underlying basket of hedge funds utilizing a disciplined approach for portfolio construction and methodology seeking the best-in-class hedge fund managers for diverse styles within each category.

In our process we shortlist the best fund manager considering the past performance & volatility via an algorithmic process.

This results into an optimized portfolio with a low correlation to the market and optimal risk adjusted return.

### Target Investor

This SPV is suitable for sophisticated investors who wish to allocate part of their wealth into alternate hedge funds with a managed investment strategy, seeking >7% p.a. investment returns with controlled risk and a low volatility.

This investment solution suits investors who seek to delegate the alternative part of their portfolio to an independent **Swiss** financial expert that specializes in this asset class for over a decade.

### Benefits

- Unique access to exclusive fund managers by virtue of being located in Switzerland.
- Opportunity to invest in a diverse Hedge Funds within one Financial structure.
- The Hedge Funds SPV offers uncorrelated return compared to Equity & Fixed Income investments.
- Greater diversification with no issuer risk at the structure.
- Most of the funds in the SPV are UCITS funds, which are highly regulated and liquid.

### Features

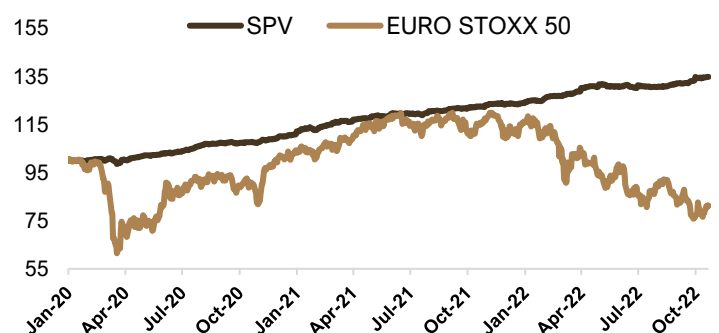
- Rigorous analysis for fund selection to optimally complement and provide ideal risk-adjusted returns.
- Investments optimally complement each other to provide you with optimal returns, while targeting low volatility and risk managing drawdowns.
- Curated access to hard-to-reach hedge fund managers & complimentary styles.

### Risk Profile



### Expected performance

	SPV			EURO STOXX 50		
	2020	2021	YTD	2020	2021	YTD
Performance (%)	12.2	10.8	8.4	3.3	12.6	-30.0
Volatility (%)	2.5	2.3	2.7	32.6	15.8	30.2
Sharpe Ratio	3.2	2.9	1.7	-0.1	0.5	-1.1
Sortino Ratio	6.5	6.7	4.5	-0.1	0.9	-1.9
Max Drawdown (%)	-2.6	-1.0	-1.1	-38.9	-8.9	-36.8



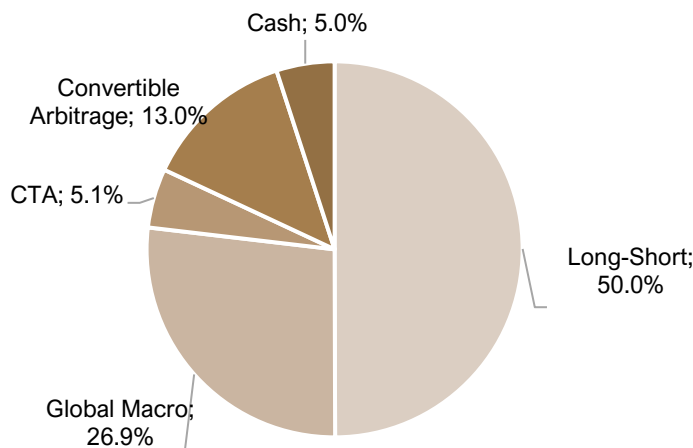
Source: Bloomberg from 01.01.2020 to 21.10.2022

**Historical Performance**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HF Basket	Benchmark
<b>2019</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.39%	-1.07%	-0.12%	0.87%	0.77%	<b>1.85%</b>	8.87%
<b>2020</b>	0.00%	0.33%	0.01%	1.83%	0.79%	0.89%	2.47%	0.92%	-0.02%	0.34%	1.75%	2.32%	<b>12.21%</b>	3.27%
<b>2021</b>	0.49%	2.64%	1.17%	1.17%	0.99%	-0.13%	0.93%	0.57%	0.63%	0.86%	0.43%	0.57%	<b>10.81%</b>	12.55%
<b>2022</b>	1.31%	0.67%	2.78%	1.08%	-0.79%	0.42%	-0.46%	1.13%	1.75%	0.14%			<b>8.31%</b>	-28.77%

Backtesting

**Hedge Fund Allocation**



**Global Macro**

A global macro strategy is an investment and trading strategy that is based on the interpretation of large macroeconomic events on the national, regional, and global scale. Fund managers analyze various macroeconomic and geopolitical factors. These include interest rates, currency exchange rates, levels of international trade, political events, and international relations.

**CTA (Commodity Trading Advisor)**

A CTA fund is a hedge fund that uses a managed futures strategy. It invests in futures contracts and uses a variety of trading strategies. The fund's portfolio is constructed using price-based and trend-following algorithms.

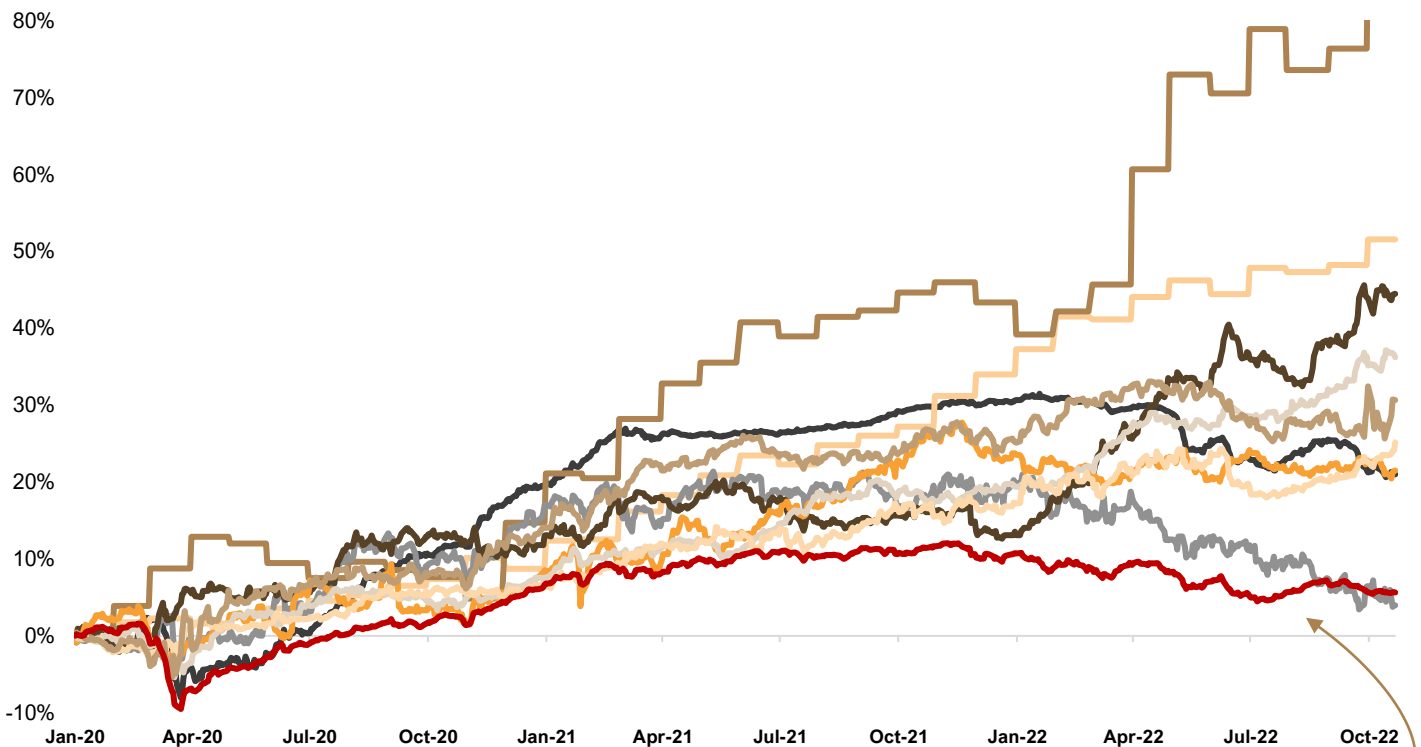
**Long-Short**

Long-short equity works by exploiting profit opportunities in both potential upside and downside expected price moves. This strategy identifies and takes long positions in stocks identified as being relatively underpriced while selling short stocks that are deemed to be overpriced.

**Convertible Arbitrage**

Convertible arbitrage essentially involves taking simultaneous long and short positions in a convertible bond and its underlying stock. The arbitrageur hopes to profit from any movement in the market by having the appropriate hedge between long and short positions.

**Alpha Generating Funds vs Global Hedge Fund Benchmark**



*Each hedge fund in the basket has significantly outperformed the HFRX index.*

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