



transtrend



Including trend following strategies in an investment portfolio

Investment Week 2023, Wednesday 10th May, Rotterdam

Agenda for today

09.00 - 09.15: Welcome & Coffee

09.30 - 10.15: Presentation Privium Fund Management

10.15 - 10.30: Break

10.30 - 11.15: Presentation Transtrend

11.15 - 11.30: Break

11.30 - 12.15: Presentation OAKK Capital Partners

12.15 - 12.30: Q&A

12.30 - 13.30: Lunch



transtrend



Company representatives



Mark Baak
Director



Pim Somerwil
Investment Associate



Willem Johannesma
Managing Partner



Yvonne van Haaren
Analist



Jacqueline Wilton-D'Elfant
Investor Relations –
Strategy Specialist



Joris-Jan de Vlieger
Research Analyst



Anne Bakx
Research Analyst



transtrend



Introducing the hedge fund market

Prepared for Investment Week 2023, Rotterdam



The trend is your friend



About Privium Fund Management

- Founded in 2008
- AFM license since 2013
- Offices: Amsterdam, London, Singapore, Hong Kong and, sales offices in New York and Shanghai
- Current headcount: 35 people
- AuM global: USD 4 billion (including Amsterdam office: USD 1.9 billion)
- Our funds have investment strategies like:
 - fund of hedge funds, L/S equity,
 - long only equity, mezzanine debt, direct real estate, multi asset, VC, etc.
- Amsterdam office: >50% of AUM has an ESG/Impact/sustainable element.
- Main investors are private banks, family offices, wealth managers and some institutional investors. Investors include (public information): ABN AMRO Private Banking, NNIP, Commonwealth Investments, Box Consultants, etc.



ESG and impact

- Active in ESG investing since 2013
- Managing investment strategies such as: Fund of impact funds, emerging market loans, venture capital, citizen participation in wind park.
- Multiple asset classes
- Partially automated clever ESG risk measurement and positive impact compliance & reporting via Treety
- Over 121 tonnes CO₂ sequestered to date with the 1,300+ trees of the Privium Global Forest
- Committed to diversity and equal opportunities as a company which has currently resulted in 28% of staff identifies as female, at least 12 nationalities and 8 languages spoken.



Tree locations

Thailand, Uganda, The Philippines, Guatemala



Examples of funds under our management



1

Windmill Trend Evolution Fund

- Fund of fund investing in trend following funds focussed on innovative systematic strategies that invest outside the mainstream markets.



2

Privium Sustainable Impact Fund

- A fund of impact investment fund, diversified portfolio of listed and unlisted investment funds, companies and fixed income instruments



3

Dutch Mezzanine Fund

- Provides subordinated debt to help SME companies realising their growth ambitions.



4

FMO Privium Impact Fund

- Investors get exposure to selected private loans that are originated by Dutch Development bank



5

Savin Multi-Strategy Arbitrage Fund

- Hedge Fund targeting positive uncorrelated returns, by employing an arbitrage-oriented approach and actively hedged tail-risk strategy.



*Winner New Fund of the Year –
Macro, Fixed Income & Relative Value*



What is a hedge fund 1/2

- Just another investment fund, but with a very flexible mandate (using leverage, long and short positions, derivatives).
- The concept is that hedge fund investing is about manager returns vs. market returns, as hedge fund managers can hedge out unwanted risks. Having said that, hedge fund returns have been driven by market beta and (alternative) risk factors as well.
- The (hedge) Fund selection is key.



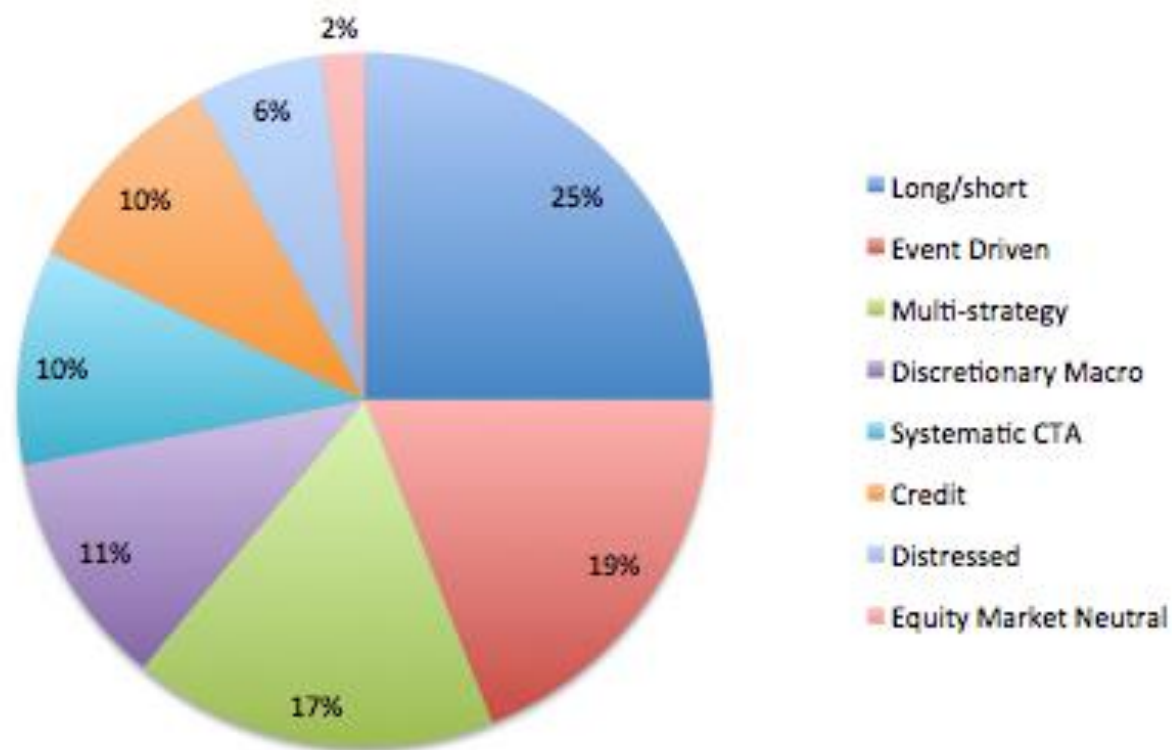
What is a hedge fund 2/2

- Hedge fund investing is about absolute returns, not relative returns.
- As true alpha is very valuable, hedge fund fees have always been higher (as an absolute number) than 'traditional' funds. But might have been lower based on the % of 'active share'
- Hedge funds are very different. So it's almost impossible to talk about hedge fund as one group/investment category.



Wide variety of strategies

Percentage Of Hedge Fund Assets By Strategy



Potential Hedge Fund Trades

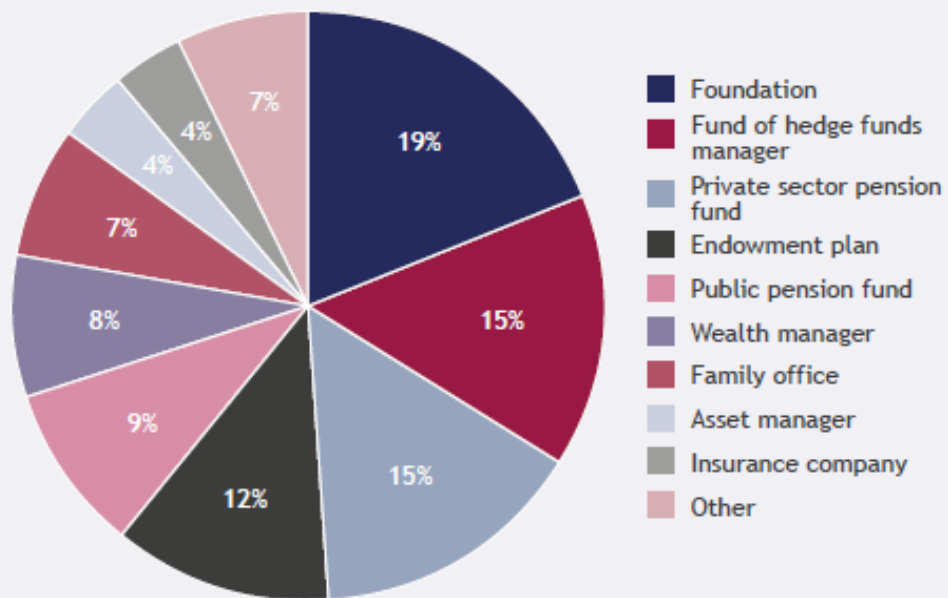
- Short USD vs Euro
- Long Vestas / short Royal Dutch Shell
- Long Heineken holding / short Heineken
- Short Tesla
- Long ABN AMRO / short ING (pair trade / equity market neutral)
- Long a convertible bond and short the stock of the same company
- Short French government bonds and long Dutch government bonds
- Long Lehman Brothers bonds (distressed debt)
- Short GBP (macro trade)
- Long S&P index futures (CTA)
- Short bitcoin futures (CTA)
- **Avoid the combination illiquidity & leverage!**



Investors in Hedge Funds

How institutionalisation changed the hedge fund investor demographic:

Breakdown of allocators to hedge funds by investor type today



Source: Preqin, 2015



Why do you invest in Hedge Funds

- For the return/to outperform the equity market?
- For the risk adjusted return?
- To improve the risk adjusted returns of your portfolio?
- To get uncorrelated or even negatively correlated returns?

The answer to the above questions should determine in which hedge fund you need to invest!



Why do you invest in Hedge Funds 1/2

- For the return/to outperform the equity market?
This was often the case prior to institutional investors joining
- For the risk adjusted return?
This penalises leveraged long hedge funds / funds with a structurally high and positive market beta
- To improve the risk adjusted returns of your portfolio?
Remember that the hedge fund manager does not know your portfolio. The hedge fund manager is also not responsible for your choice to hedge FX risk or not.



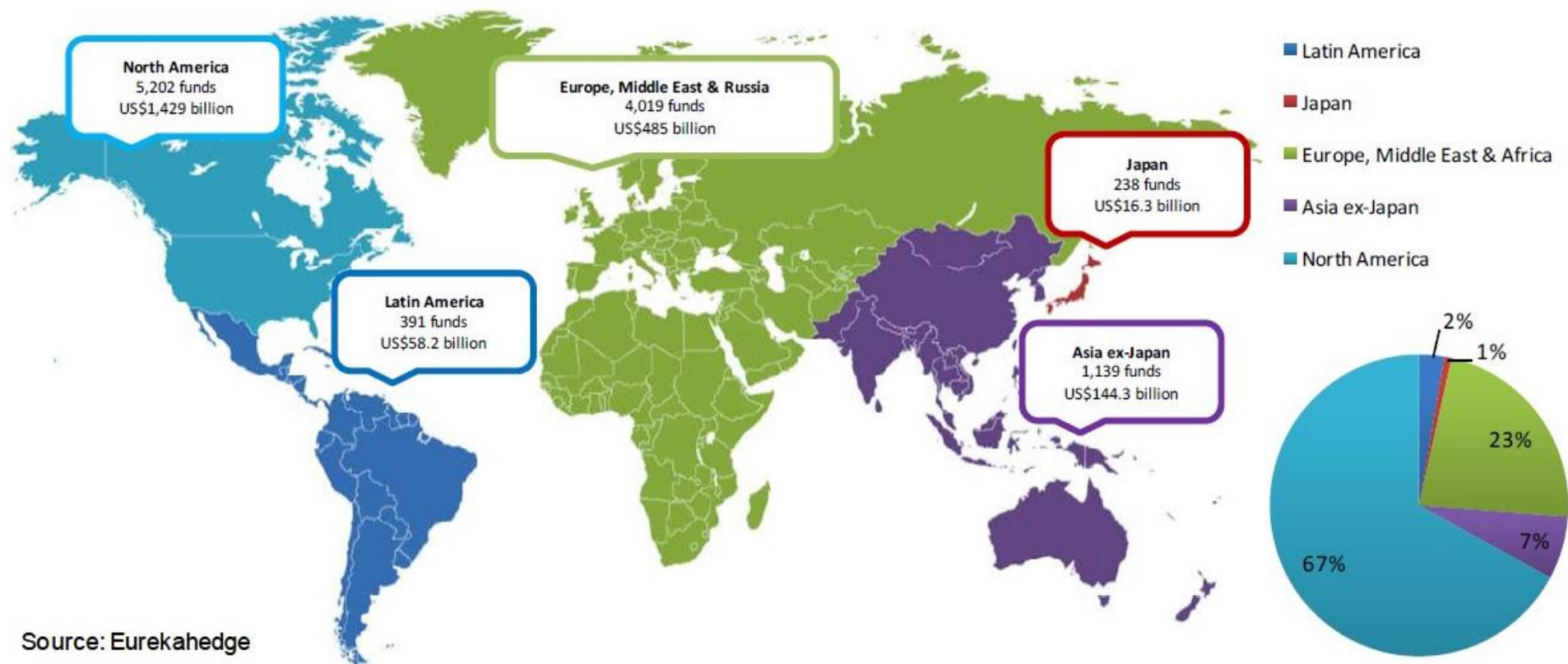
Why do you invest in Hedge Funds 2/2

- To get uncorrelated or even negatively correlated returns?

If you want to achieve these type of returns, don't invest in an average basket of hedge funds. Many hedge funds have a different objective than you do, so exclude those (like funds with a large net long exposure to the equity markets). Uncorrelated returns or even negatively correlated returns are more likely to be achieved by CTA's, global macro funds, long volatility or even tail risk funds.



The hedge fund industry



The Dutch hedge fund market – examples of Dutch hedge funds



MINT TOWER



transtrend



S A V I N

INVESTMENT PARTNERS



A day in the life of Pim

First, a little bit about myself:

- Bachelor & Master at Erasmus School of Economics
- Internship at ABN AMRO MeesPierson
- President of B&R Beurs 2018/2019
- Joined Privium in 2020 parttime, fulltime since January 2021
- Part of the Investment Oversight team (together with Mark, Jenny, Robert-Jan and Peter)
- CAIA level 2 candidate



A day in the life of Pim

My core tasks

- Researching investment opportunities for various funds (stocks, bonds/loans, funds)
- Creating communication for investors (newsletters, factsheets, etc.)
- Attending meetings: monthly meetings with PMs and investment advisors, meetings with fund investments and meetings with investors
- Performance & risk monitoring
- FX hedging & trading



A day in the life of Pim

Other tasks and events

- Engagement with other parties/funds (e.g. on ESG/strategy/fund developments, can be all kind of developments)
- Organizing events, such as Asset Management Tour, Investment Week, London Finance Tour
- Various analytics (ESG, financial)
- Reading industry reports, newsletters, etc.
- Internal risk reporting, compliance updates
- Attending conferences (Impact Summit Europe 2023 was the last one) and networking events



A day in the life of Pim

Typical day in the office

- Update market monitor, check Bloomberg & other news
- Check and follow-up on emails
- Preparing & attending meetings (agenda, discussion points, analysis)
- Get lunch outside
- Monthly meeting with PM and fund investment to discuss FY 2022 results
- Monthly team meeting to discuss all funds (performance, risk, developments, action points)
- End-of-day performance monitoring

Agenda	
woensdag	
13	
08:00	
09:00	
10:00	Investment Advisory meeting (by Teams) van het Multi Strategy Alternatives Fund Mark Baak
11:00	
12:00	
13:00	Investment Advisory meet Microsoft Teams-vergaderi Mark Baak
14:00	Shareholder Zoom Call with Privium Fund (Jenn **Zoom details below**
15:00	Fund Management meeting Microsoft Teams Meeting Robert Jan van Hoorn
16:00	
17:00	



What would you want to know
about hedge funds?



Some keywords

Fund domicile

**Role in the
portfolio**

Press

AIFMD

Onshoring

**The role of fund
of hedge funds**

Capacity

Hard & soft close

Transparency

**Sustainability /
impact investing**

Pressure on fees

**Manager
locations**

LTCM

Regulation

**Leverage &
illiquidity**



If I gave you Euro 100 million to invest.

How would you invest it?

Would you invest in hedge funds?

Why or why not?

What are your views on active vs. passive investing?

Where would hedge funds blend in?

What % of hedge fund managers add value?

Before or after fees?

Feel free to reach out per email or connect with us on LinkedIn



Mark Baak
Director



Pim Somerwil
Investment Associate

We are happy to help out with an internship or a job search if we can.
LinkedIn is also where Mark shares many vacancies from other firms.



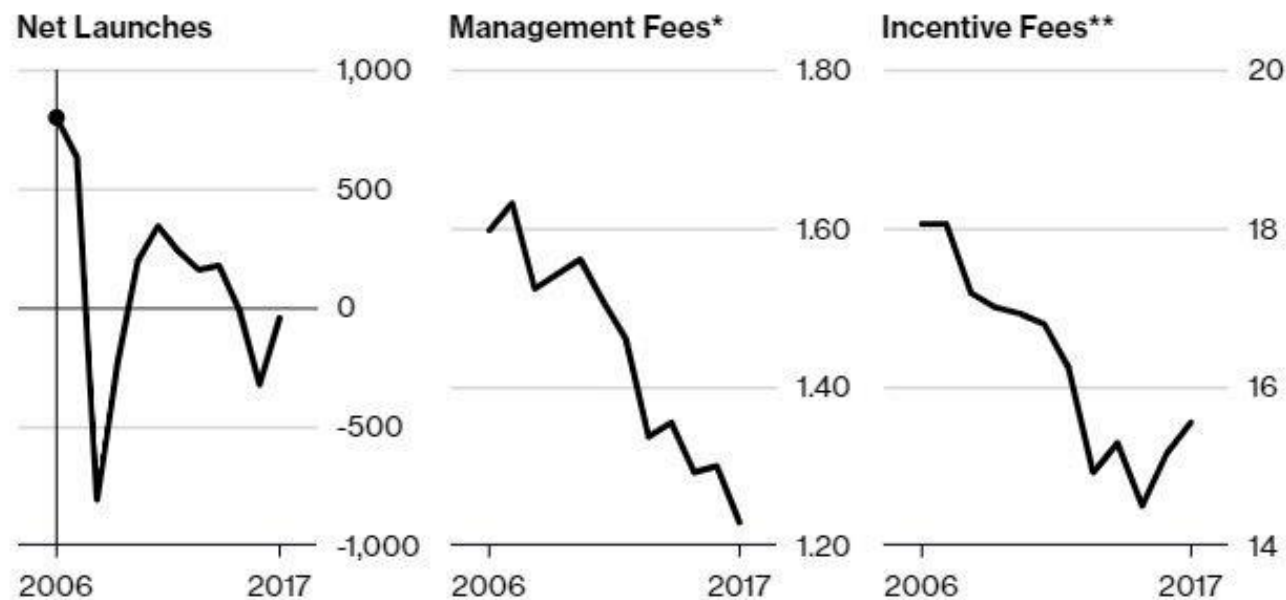
Office Address:
Symphony Offices 26th Floor, Gustav Mahlerplein 3-105
1082 MS Amsterdam



Additional slides: pressure on fixed fees

A Grim Period for Hedge Funds

More hedge funds are closing than opening as fees have tanked



Sources: Hedge Fund Research; Eurekahedge

* Percent of assets; ** Percent of profit.

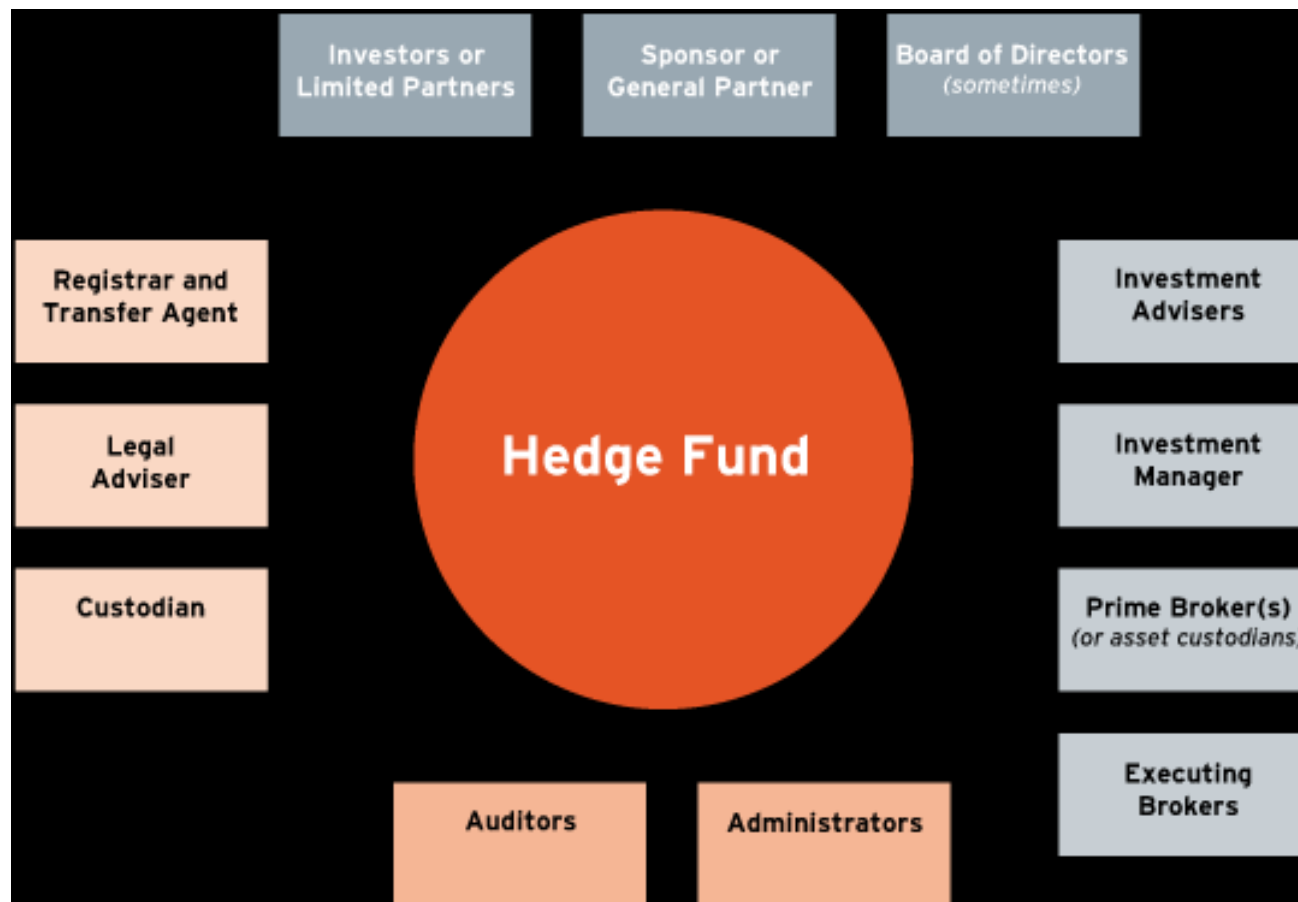


Additional slides: key when launching a fund

- The manager needs to offer true added value and must keep working extremely hard to beat the other market participants (alpha is zero sum game).
- The need to charge fair fees. The 2/20 model, as a market standard, has passed away many years ago. Early investors want a discount too!
- Risk management and compliance are almost as important as returns.
- The team should not 'just' set-up a fund. They need to build a team, set-up a proper company, get solid infrastructure in place.
- Hedge fund management need to be partners with investors and make a compelling case as to why investors need to invest. The hedge fund industry is one of the most competitive industries in the world.



Additional slides: hedge fund structure



Additional studies, networks, reading suggestions



Networks of interest for students:

- Follow on studies: [CAIA](#) and [CFA](#)
- [Alternatives 4 Children](#) (Amsterdam, London). Alternative investment charity financing educational projects in Asia and Africa. Always looking for support from students to make their events happen.
- [Female x Finance](#) (Amsterdam). New organisation set up to remove the barriers for female talents to enter the financial sector.
- [Help for Children Asia](#) (New York, Singapore & Hong Kong). The global alternative investment industry charity committed to the prevention and treatment of child abuse.



Privium's suggested read, watch and listen list

Read:

- Fooling some of the people all of the time
Writer: David Einhorn
(shorting a company with odd accounting methods)
- When genius failed
Writer: Roger Lowenstein
(about LTCM)
- The Big Short
Writer: Michael Lewis
(about a great investing opportunity, before and during the great financial crisis)
- Hedge fund market wizards
Writer: Jack D. Schwager
(describing or interviewing hedge fund managers)
- Confidence game
Writer: Christine S. Richard
(about Bill Ackman)

Watch:

- [Bill Ackman on Dealbook](#)
- [John Oliver on Herbalife](#)

We will continuously update the [Student Events](#) landing page so students find books, articles and networks of interest online:
<https://www.priviumfund.com/student-events/>





transtrend



Break



Trend following and Transtrend's Diversified Trend Program

-PRIVIUM – TRANSTREND – OAKK-

» Investment Week
Rotterdam, 10 May 2023

Who are we?



Firm profile

- › Leading CTA — rooted in commodities trading
- › Research since 1987 — company founded in 1991
- › \$5.5B assets under management¹

-
- › Based in **Rotterdam**, the Netherlands
 - › Experienced team of 75

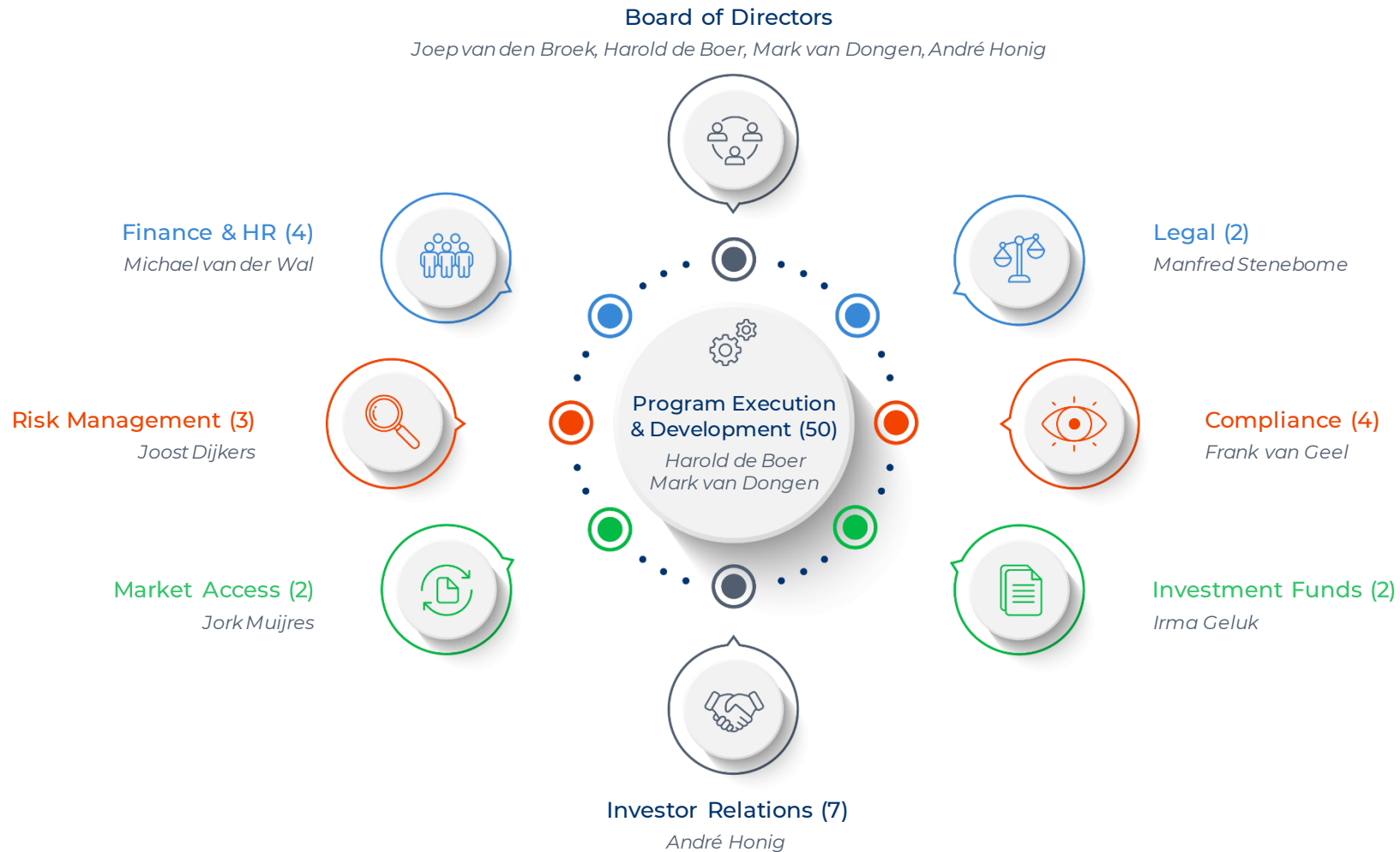
-
- › Registered as:
 - › AIFM in the Netherlands
 - › CTA in the U.S.

Transtrend has more than 30 years of experience in researching markets and managing active trading strategies for its clients.

¹ As per 30 April 2023, including notional funds



Organization



The numbers in brackets indicate the number of people involved. Harold de Boer and Mark van Dongen are included in both the BoD and Program Execution & Development; André Honig is included in both the BoD and Investor Relations. Total number of people as on 30 April 2023: 75.



Program execution & development teams

All elements of our Diversified Trend Program — from market selection to order execution — are closely interlinked and together form one coherent operation. The numbers in brackets indicate the number of people involved.

 Click the play-buttons to watch the videos

Trading (7)

Marc Putter

Order flow management
Market connection

Portfolio Management (14)

Toni Budimir

Market analysis
Trend identification, market and liquidity risk
& portfolio construction
Portfolio review

Electronic Trading (6)

Jilles de Wit

Execution platform development
Execution review

Operations (10)

Martijn van Hekken
Naziema Joeman

Treasury
Reconciliation
Administration & reporting

IT (5)

René Korver

Infrastructure
Disaster recovery
Cyber security

Data (6)

Ralph van de Klundert
Maarten Hogervorst

Data platform development
Market data collection & cleaning

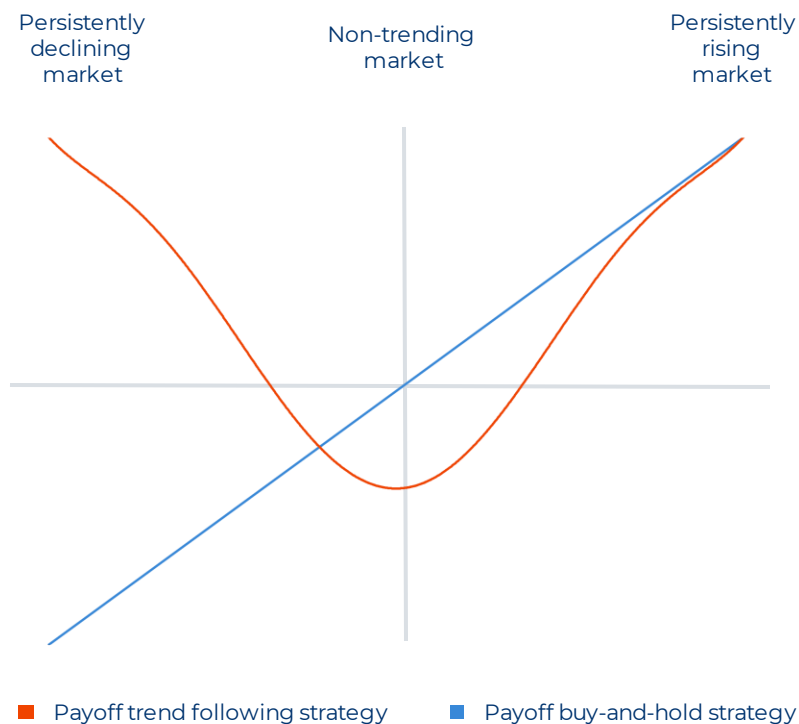


Directors: Harold de Boer & Mark van Dongen
Total headcount: 50



Trend following

Return profile of trend following vs 'buy and hold'



» Trend followers try to position themselves:

- » Long in uptrends
- » Short in downtrends
- » Out of the market when no trend is observed

» Resulting return profile:

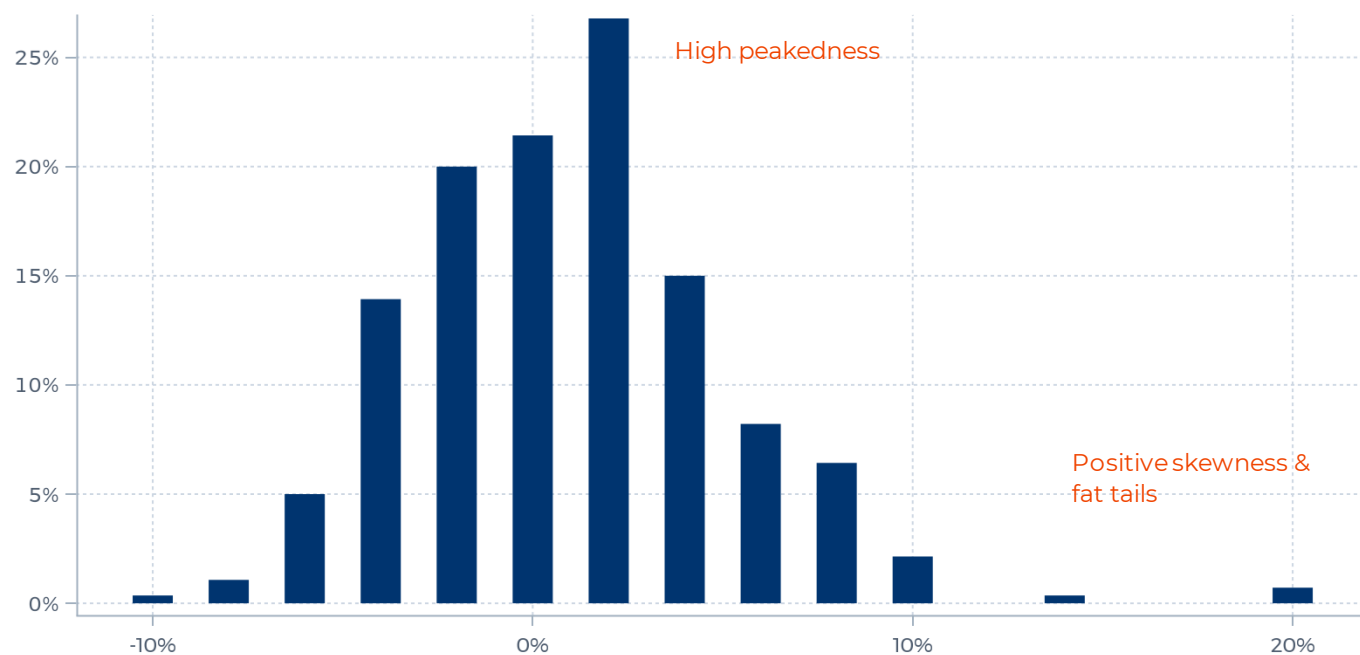
- » Negative correlation in persistently declining markets
- » Positive correlation in persistently rising markets
- » Losses in non-trending or reversing markets

Trend following strategies have the ability to benefit from both rising and falling markets and offer the potential to significantly increase a portfolio's diversification.



Positively skewed return distribution

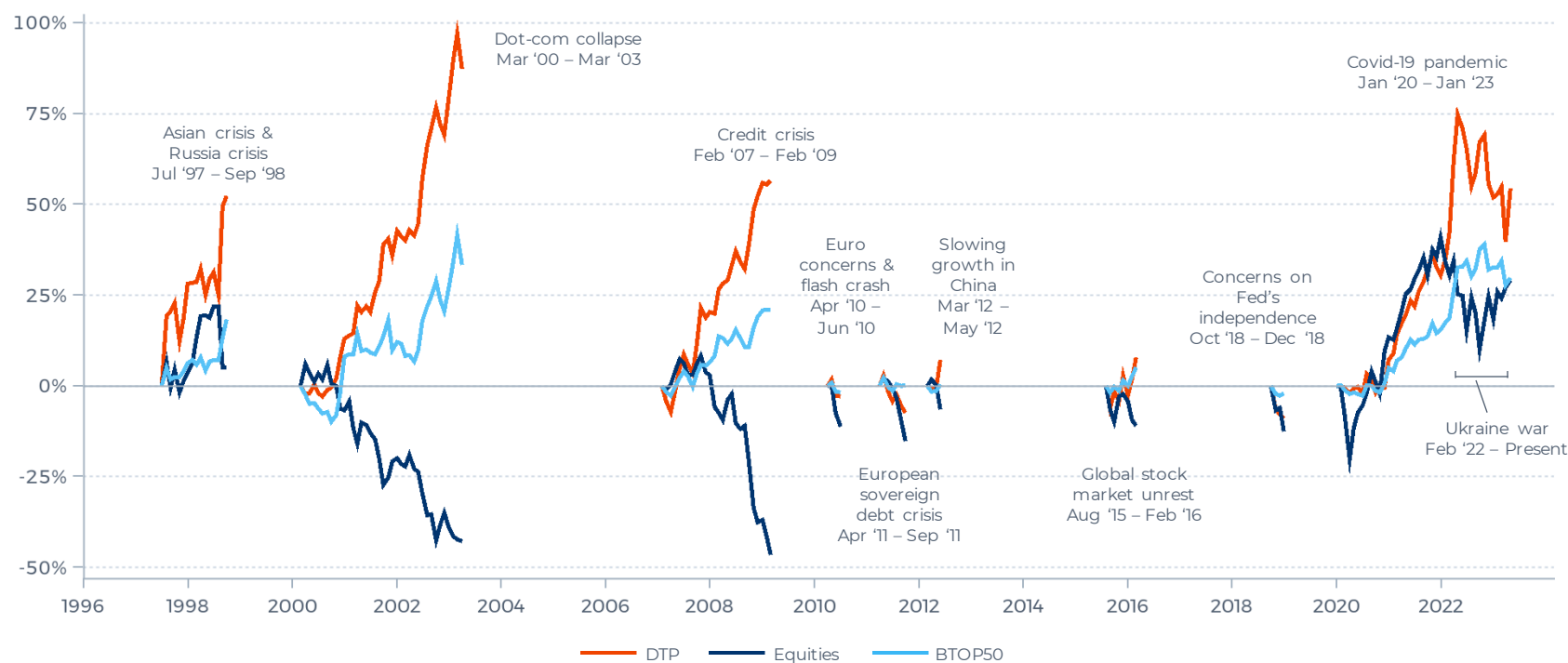
■ Return distribution DTP



Data represents the Enhanced Risk (USD) subset of DTP, from January 1995 through April 2023. This data should be viewed in conjunction with the explanatory notes at the end of this presentation, which are an integral part of this performance data.
THE VALUE OF YOUR INVESTMENT CAN FLUCTUATE. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Proven 'crisis alpha'

■ Performance of DTP and BTOP50 during crisis periods

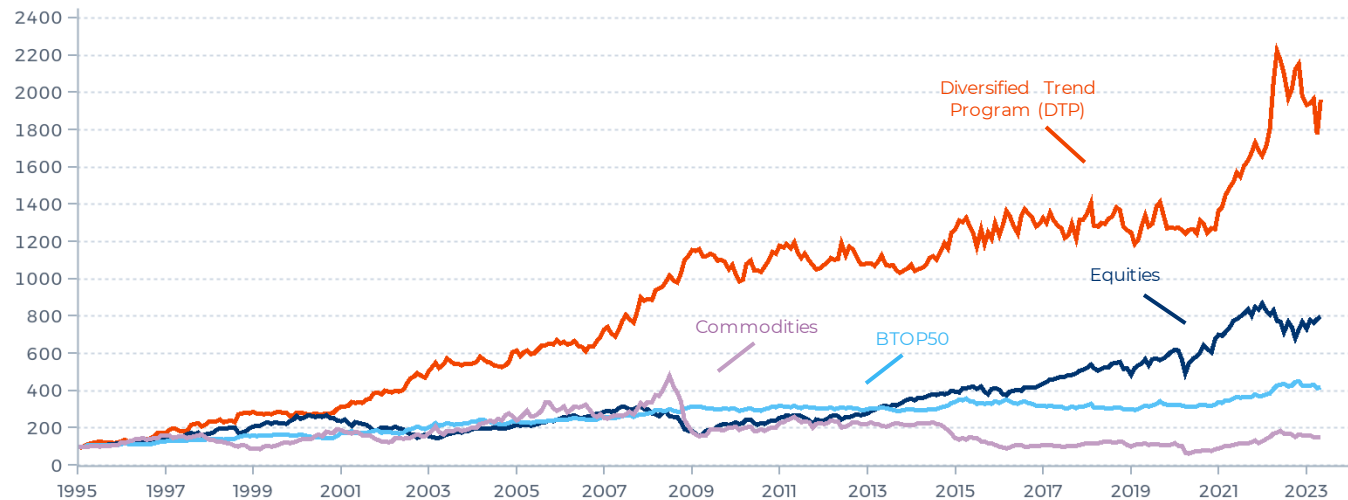


DTP has demonstrated the ability to perform well during crisis periods, especially those accompanied with extended stock market declines, generally outperforming the BTOP50 in such periods.

Data from January 1995 through April 2023. DTP data represents the Enhanced Risk (USD) subset. This data should be viewed in conjunction with the slide 'Description of indices used' and the explanatory notes at the end of this presentation, which are an integral part of this performance data.
THE VALUE OF YOUR INVESTMENT CAN FLUCTUATE. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

30+ years track record

DTP vs. Equities, Commodities and BTOP50



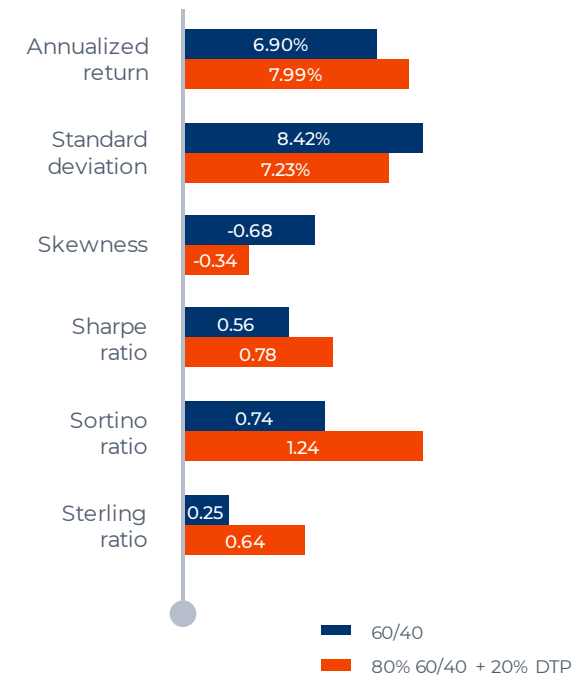
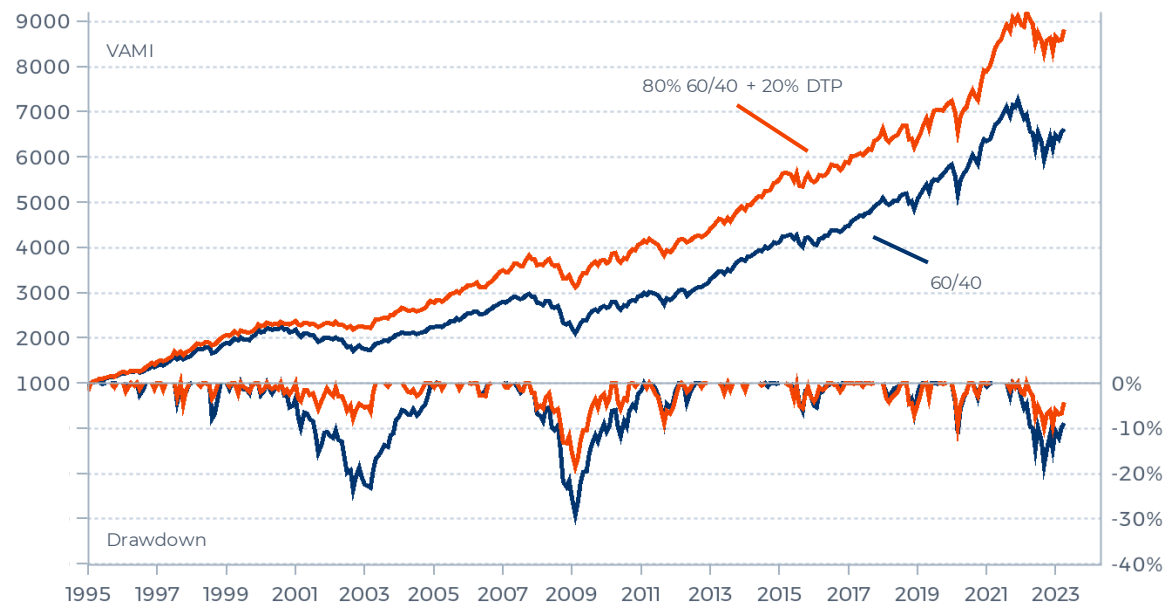
	Total return	Annualized return	Standard deviation	Deepest drawdown	Skewness	Sharpe ratio	Sortino ratio	Sterling ratio
DTP	1861%	11.07%	14.15%	20.11%	0.65	0.65	1.31	0.74
Equities	697%	7.60%	14.29%	50.77%	-0.74	0.42	0.54	0.16
Commodities	49%	1.42%	22.55%	87.22%	-0.67	0.07	0.10	0.02
BTOP50	319%	5.19%	8.19%	16.12%	0.29	0.37	0.66	0.24

Data from January 1995 through April 2023. DTP data represents the Enhanced Risk (USD) subset. Sterling ratio is defined as the mean excess return divided by the average of the 10% deepest 'drawdown months' (at the end of every month the then current drawdown is measured and the average of the deepest 10% of all these drawdowns is calculated). This data should be viewed in conjunction with the slide 'Description of indices used' and the explanatory notes at the end of this presentation, which are an integral part of this performance data.

THE VALUE OF YOUR INVESTMENT CAN FLUCTUATE. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Diversification benefits

Return/risk profile of 60/40 equity/bond portfolio + DTP



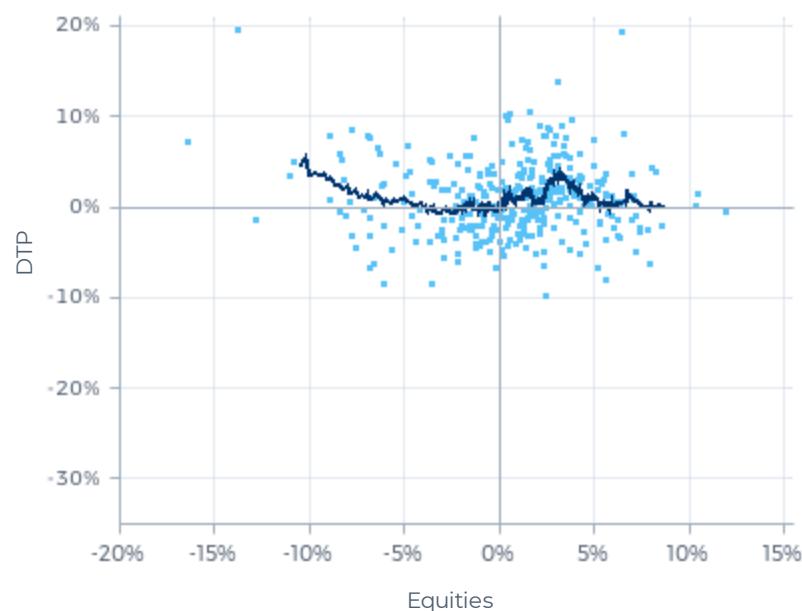
Due to its attractive risk-adjusted returns, low correlation to major asset classes and ability to generate crisis alpha, DTP has the potential to be both a source of return and diversification in many investment portfolios.

Data from January 1995 through April 2023. DTP data represents the Enhanced Risk (USD) subset. Calculations are based on annual rebalancing. Sterling ratio is defined as the mean excess return divided by the average of the 10% deepest 'drawdown months' (at the end of every month the then current drawdown is measured and the average of the deepest 10% of all these 'drawdowns' is calculated). This data should be viewed in conjunction with the slide 'Description of indices used' and the explanatory notes at the end of this presentation, which are an integral part of this performance data.

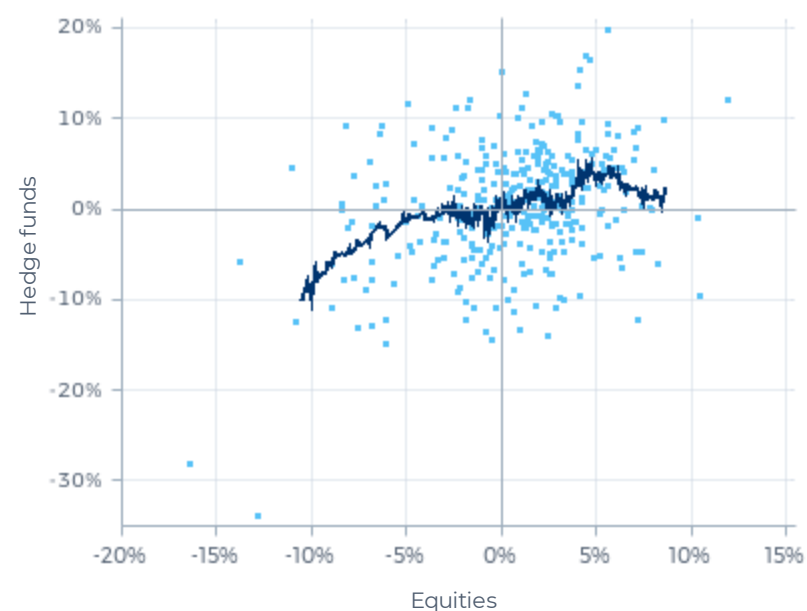
THE VALUE OF YOUR INVESTMENT CAN FLUCTUATE. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Non-linear correlation to equity markets

■ DTP correlation to Equities



■ Hedge funds correlation to Equities



The 'smile-shaped' curve illustrates DTP's non-linear correlation to equities – DTP clearly behaves differently from hedge funds in this respect.

Each dot in the charts represents a historical monthly return combination. The dark blue curves are obtained by local correlation estimation. Data from January 1995 through April 2023. DTP data represents the Enhanced Risk (USD) subset. This data should be viewed in conjunction with the slide 'Description of indices used' and the explanatory notes at the end of this presentation, which are an integral part of this performance data.
THE VALUE OF YOUR INVESTMENT CAN FLUCTUATE. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

The background of the slide is a solid blue color with a subtle, repeating geometric pattern of interlocking polygons in various shades of blue, creating a textured, crystalline effect.

Our approach:
What is a trend?



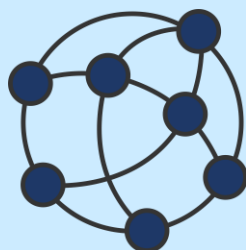
Our view on trends

Most price trends in markets are a reflection of broader trends and developments in our continuously evolving society. Transtrend's Diversified Trend Program (DTP) is designed to participate in these trends.

Although DTP's trading systems are fueled only by prices set in the individual markets traded, the program is **geared towards capturing the underlying trends**. The goal is to be sizably positioned in different trends, with a balanced risk allocation across the factors driving current trends.

The program has an **absolute return** objective and does not follow, nor specifically strives to outperform, any benchmark or index.

Deglobalization



Energy transition



Inflation



Examples of trends (themes)



Hay Fires Model – hay fires and self-heating

Imagine the haystacks are markets and the hills are trends



An example – the energy crisis

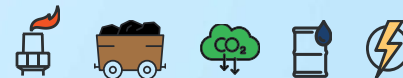
The European Green Deal leads to gradually increasing European Natgas prices



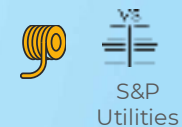
European Natgas prices flare up



The fire spreads to other energy markets



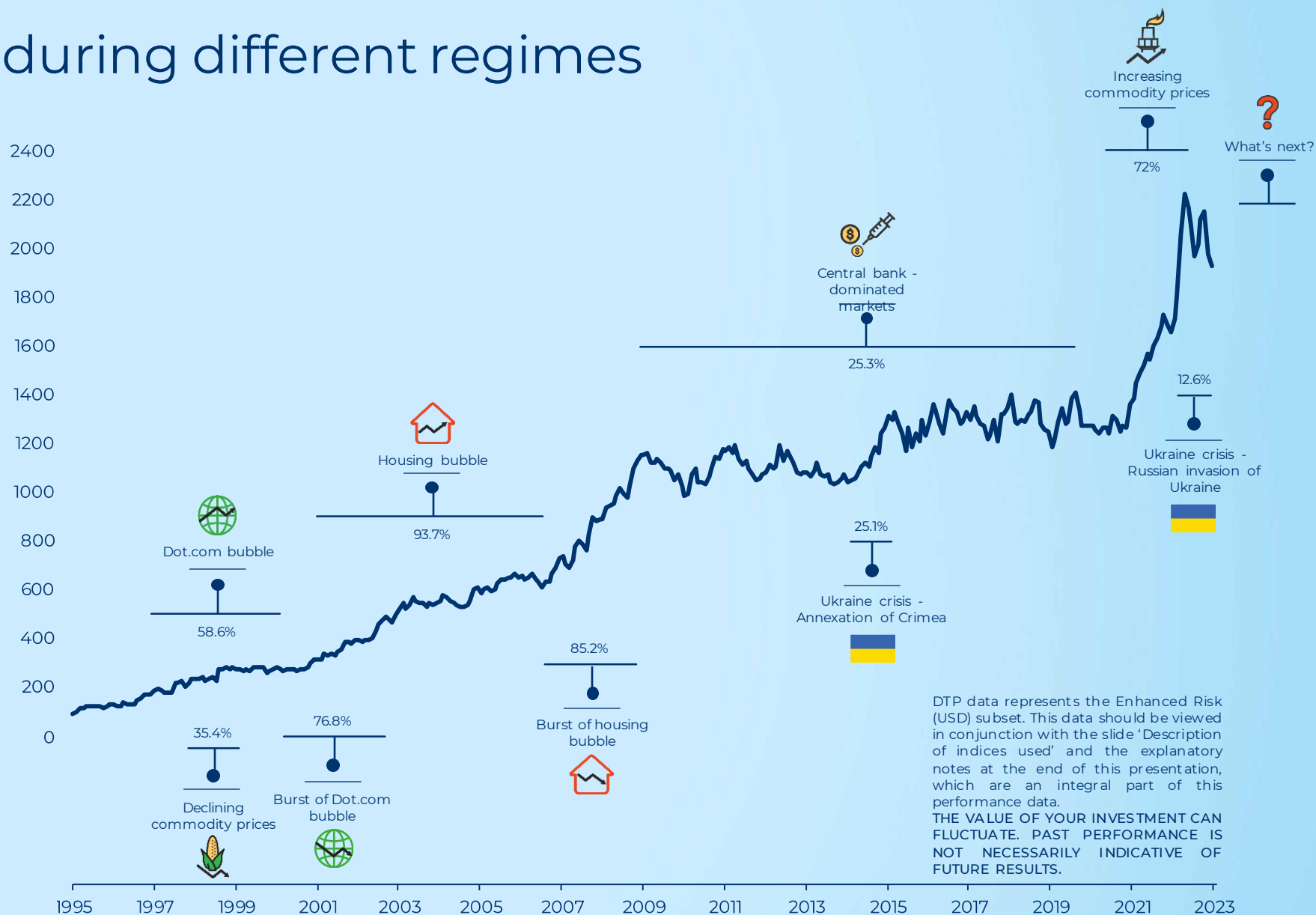
The fire impacts other trends, such as the industrial metals uptrend and the Corona defensive stocks trend



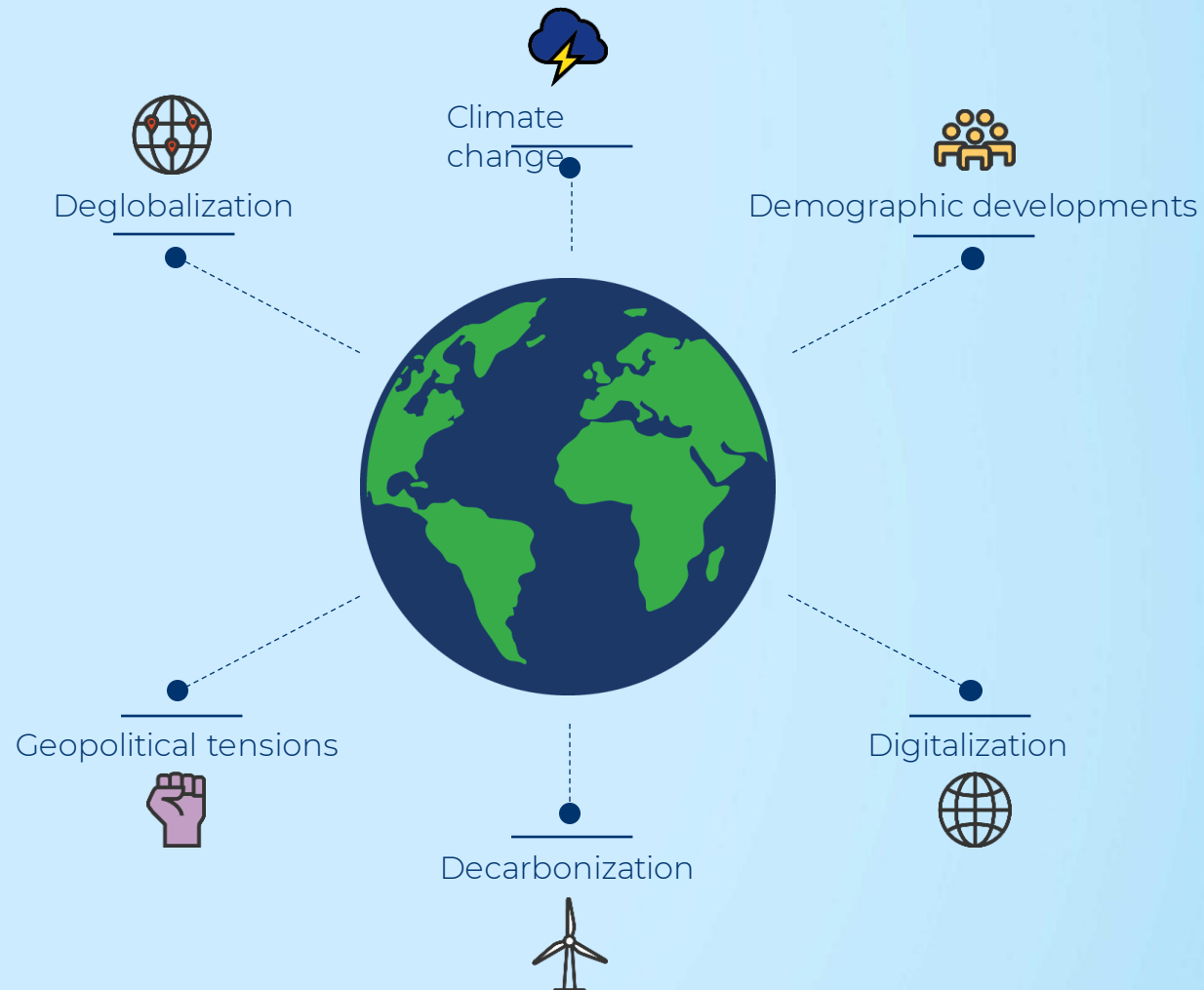
S&P
Utilities



DTP during different regimes



What's next?



The background of the slide is a solid blue color with a subtle, repeating pattern of light blue geometric shapes, primarily pentagons and hexagons, creating a textured, crystalline effect.

Our approach:
Capturing trends
successfully

Trading process

Core principles

All elements of DTP are tightly interconnected and together form one coherent operation. Our trading process is based on the following principles:



In control

All key components are designed, maintained and operated in-house



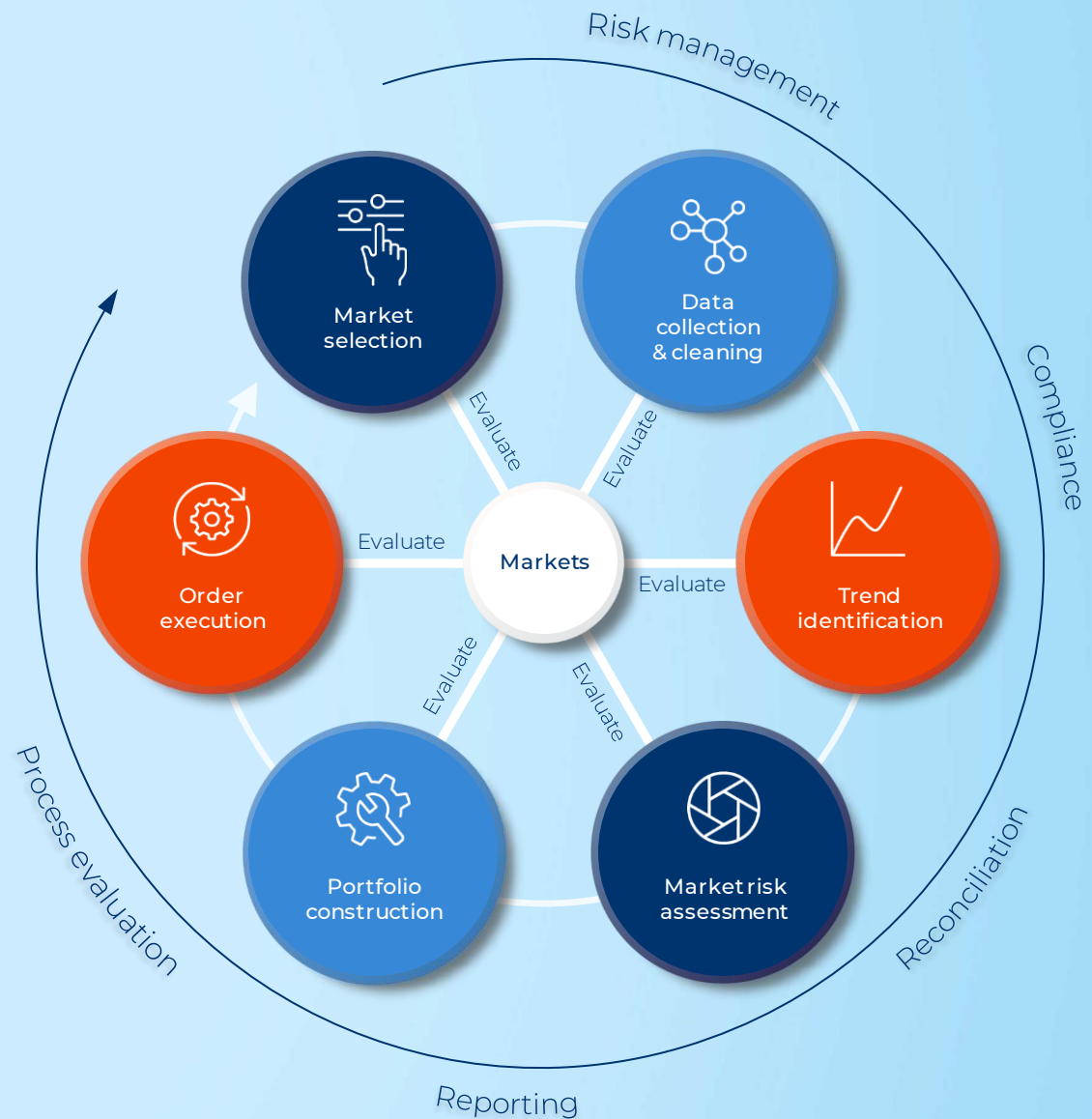
Adaptive

Continuous evaluation & improvement keeps DTP in sync with the markets



Responsible

Contributing to well-functioning, well-organized and reliable markets

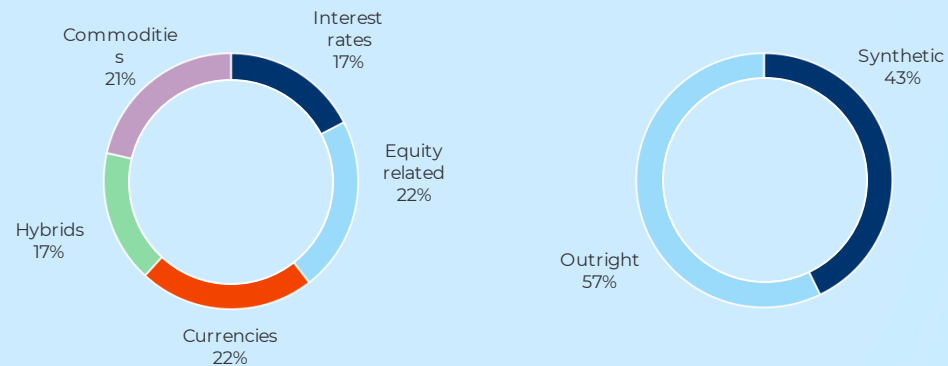


Investment universe

In our trading we **focus on the underlying factors** that really drive markets. With DTP we aim to be sizably invested in different trends — i.e., trends driven by different real-world factors. Such real factor investing starts by selecting the markets that are driven by these factors.

DTP participates in **futures, forwards and swap markets** across multiple asset classes. The current investment universe of DTP consists of more than 500 markets. It includes outright markets — both mainstream and alternative markets — as well as synthetic market combinations of two outright markets (including cross-sectional hybrid market combinations).

Current indicative risk allocation



Evolution

Start of DTP with 40+ markets across multiple asset classes, including some synthetics	1992
Inclusion of the first interest rates spreads	1995
Start of tick data collection, enabling us to create synthetics with legs traded on different exchanges and in different time zones	2000
Inclusion of the first inter-commodity combinations	2000
Inclusion of the first hybrids — i.e., cross-sectional synthetics	2005
300+ markets in DTP's investment universe	2007
700+ markets in DTP's investment universe	2013
Development of a new execution platform allowing us to work synthetics continuously	2014
Rationalization of investment universe in order to most efficiently exploit trends	2017
Reinforced macro focus shapes the horizon of traded markets and helps us in getting prepared for regime changes	2019





Synthetics within DTP

Synthetic & hybrid markets

The investment universe of DTP consists of futures, forwards and swaps. We trade these both as outright markets as well as synthetic market combinations of two outright markets. Broadly speaking we can distinguish the following **categories of synthetics**:

- Short term interest rate spreads, including time spreads
- Bond spreads
- Cross-currency combinations
- Inter-commodity combinations
- Commodities expressed in different currencies
- Hybrids (combinations of outright markets from different sectors)

Current indicative risk allocation



Timeline

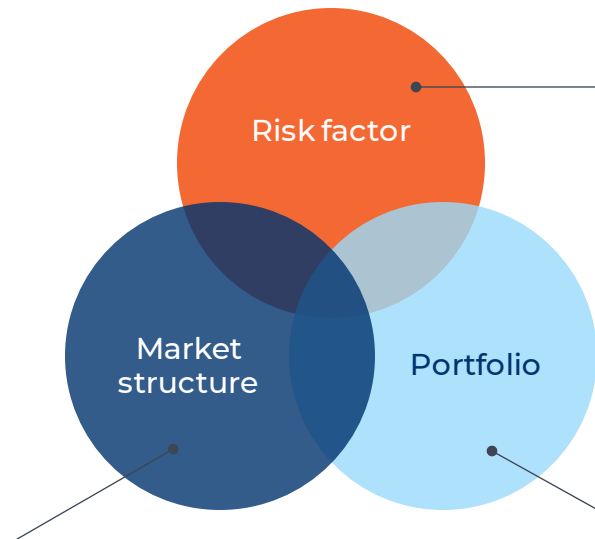
Start of Diversified Trend Program, including various cross-currency combinations	1992
Inclusion of the first interest rate spreads	1995
Start of tick data collection, enabling us to create & trade synthetics with legs with different trading hours, potentially traded on different exchanges and in different time zones	2000
Inclusion of the first inter-commodity combinations	2000
Inclusion of the first hybrids	2005
Development of a new execution platform allowing us to work synthetics continuously	2014

Synthetics have been an integral and growing part of DTP since its inception in 1992.



DTP's synthetics are built around these principles

All trading has market impact. Taking positions in the direction of a prevailing trend can drive prices further in that direction, which is costly. The price of each market, however, is impacted by multiple factors. Taking positions in a trend when the price is temporarily pushed in the opposite direction by a factor other than the one driving the dominant trend is **liquidity-providing**, lowering transaction costs. Trading synthetic market combinations helps to act at the most opportune moments in time.



Each futures market is driven by multiple risk factors, with their relative impact on prices changing over time. Sometimes, a trend driven by a specific factor is disturbed by other factors, making it harder to ride that trend. Most of our synthetic market combinations are constructed to more **effectively reveal and ride specific driving factors**.

We wish to have **sizable positions** in different trends, **with a balanced risk allocation** across the factors driving these trends. Synthetics enable us to get more exposure to certain factors without letting the exposure to other factors within the portfolio grow too large, as we can control the impact of such other factors in the traded synthetics. Trading multiple different synthetic markets driven by a specific factor can also increase the probability that this factor is picked up sufficiently and/or early enough.

The markets in DTP's investment universe — both outright and synthetic — are selected and constructed as our vehicles to ride the underlying trends.



Synthetics, a real-life example

Positioning around Soybeans



Positioning around Corn



Protein trend in second half of 2017

- Soybeans: high-protein crop – in a longer grains & oilseeds downtrend before strengthening from mid-August onwards
- Corn: low-protein crop – starting a downtrend after moving sideways for months
- The synthetic C_S reveals a hidden upward reversing protein trend (the downtrend in C_S), enabling DTP to position itself more sizably in this trend at an early stage, when it was not clearly visible in the outright soybeans market

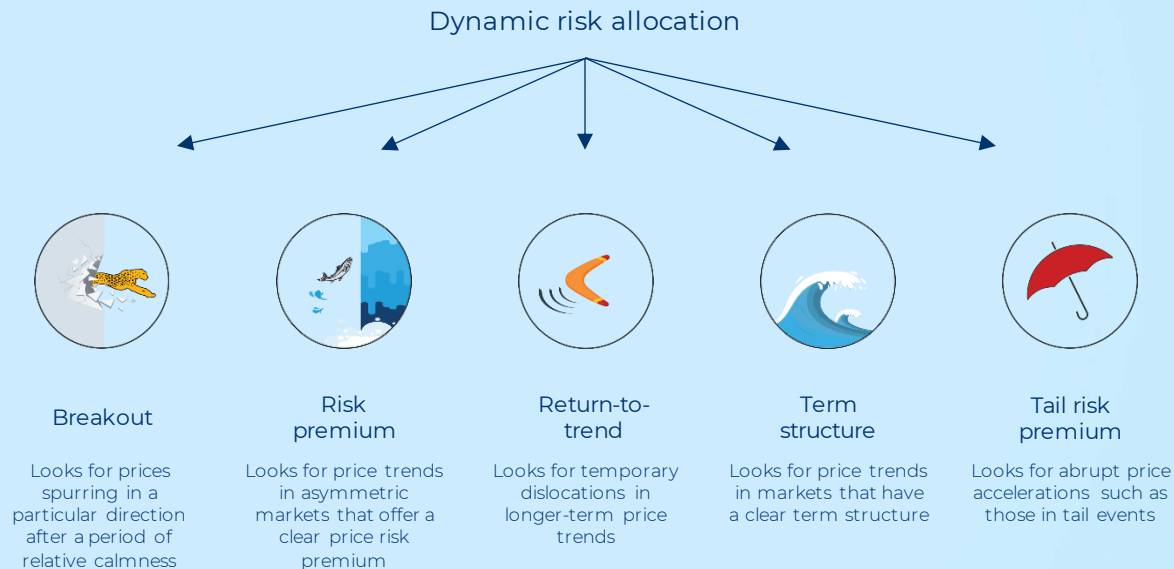
Positioning around C_S



Trend identification

DTP's trend identification tools are designed to identify medium-term price trends. We utilize a **tool-specific environment-based approach**: we first check if the market environment is promising, and only then look for an appropriate trend. This two-step approach to trend identification makes our tools selective as well as distinct from one another.

DTP currently utilizes **five trend identification tools**, with each tool designed to pick up a specific type of trend.



Evolution

Start of DTP with two proprietary trend identification tools applied to 40+ markets	1992
New breakout tool marks the first step in environment-based trend identification	1995
Introduction of risk premium tool — the original two tools have by now been phased out	2000
New return-to-trend tool introduces the first move away from crowded trading moments	2003
Move towards trading at the most opportune moments, instead of at the most popular	2006
New term structure tool introduces term structure elements into the environment-filtering step	2007
Move towards increased use of opportunistic limit orders to enter and exit positions	2012
More robust trend indicators account for changed market dynamics and improve the interaction with other elements of the strategy	2014
Enhanced trend indicators preserve DTP's ability to react quickly when the environment changes	2019
Flexible risk allocation across tools prevents DTP from being underinvested	2020
New tail risk tool enhances DTP's ability to be sizably invested in different trends	2021



The background of the slide is a solid blue color with a complex, low-poly geometric pattern. The pattern consists of numerous irregular polygons of varying sizes and shades of blue, creating a textured, crystalline effect. A white rectangular box is positioned on the left side of the slide, containing the text.

Our approach:
Portfolio Construction

Portfolio construction & risk management

Generally, trends manifest themselves in groups of markets, rather than in individual markets. These groups typically transcend asset classes and geographical boundaries, making classical risk allocation — for instance across individual markets or asset classes — sub-optimal.

With DTP we aim for a **balanced risk allocation across the factors driving current trends**.

Risk cannot be expressed in one figure, especially not in a textbook figure such as standard deviation or Value-at-Risk. Since Transtrend's start we have respected the dynamic, non-linear and asymmetric nature of markets. In order to adequately manage our portfolio risk, **we look through multiple lenses**. The core of DTP's portfolio construction & risk management framework consists of a trend and an extreme risk framework.

Trend risk management

Our trend risk framework enables us to identify risk concentrations around a trend and subsequently dynamically balance the risk across multiple different trends. Trend risk looks at more recent term correlations in order to swiftly identify changing risk concentrations.

Extreme risk management

The concept of extreme risk management has been the backbone of DTP since its inception. It aims to limit the aggregate impact of a major adverse price movement in any market — taking into account coinciding adverse price moves in correlated markets — to around 12%¹.

¹ In the Enhanced Risk profile

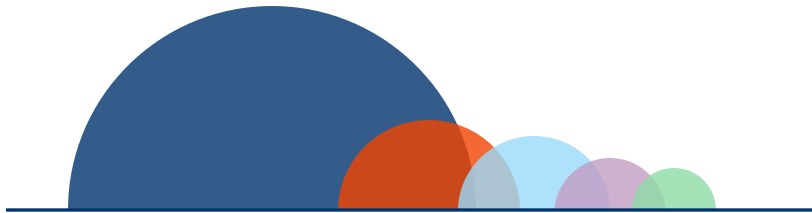
Evolution

Start of DTP with an extreme risk management framework focused on coinciding major trend reversals	1992
Overhaul of our methodology for measuring correlations between markets	1998
Start of tick data collection, enabling us to create more synthetics, adding to the diversified nature of DTP's investment universe	2000
Implementation of upgraded extreme risk management framework	2006
Acknowledgement that trends manifest themselves in groups of markets, which spurred the development of new correlation measures	2012
Implementation of our trend risk management framework and a new version of extreme risk	2014
Improved synergy between execution strategies and risk management framework, enabling us to act more as liquidity provider	2016
Implementation of a redesigned trend risk measure and a new factor identification methodology	2019
Overhaul of bottom-up portfolio construction methodology to improve diversification potential	2021



Portfolio construction based on trend risk

Allocation to different trends
without trend risk management



Allocation to different trends
with trend risk management



Our trend risk framework — based on a range of proprietary correlation measures — enables us to **identify prevailing themes in markets**. These themes could be anything. Trade wars, monetary policies, a transition towards sustainable energy or emerging market growth are just a few examples.

Exposure to themes that are becoming too dominant in the portfolio — either because of increased position sizes or increased correlations between markets — will be reduced. This typically results in a more balanced risk allocation across different trends and supports our goal of being sizably invested in *different* trends.

The magnitude and composition of these trends is dynamic: risks increase and decline, and markets join and leave. Therefore, our trend risk management is designed to nimbly capture these changes and dynamically allocate risk through time.

Our trend risk framework enables us to have sizable positions in different trends, with a balanced risk allocation across the factors driving these trends.



Current positioning

Illustration of DTP's most important **trend risk concentrations** and their main constituents at the start of **May 2023**. Please note that the displayed trend risk concentration sizes and their overlap are only indicative.

BoJ low rate policy trend

- Shorts yen
- Longs in Japanese interest rate instruments
- Longs in Japanese stocks

Delicious softs uptrend

- Longs in coffee, cocoa & sugar

ECB yield rise trend

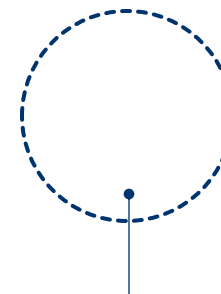
- Shorts in European interest rate instruments, also via synthetic market combinations
- Longseuro

Eastern European uptrend

- Longs Eastern European currencies

Natural gas downtrend

- Shorts in U.S. & European natural gas
- Shorts in emissions allowances
- Shorts in power



Other (partly overlapping) trends

- BoE yield rise trend
- Grains downtrend
- Chinese slowdown
- Economic recovery
- Norwegian easing
- Latin American uptrend
- Vegetable oils downtrend
- Cattle uptrend
- Australian easing



Our approach:
Implementation of
trades



Execution - Market participation

Order execution is always viewed in relation to the reasons behind DTP's trade signals. Our execution platform is therefore **tightly integrated** with the program's investment strategy. To this end, all our trading infrastructure is developed, maintained and operated in-house.

DTP's order flow management is ultimately carried out by a dedicated trading team, supported by a range of proprietary execution strategies.

Liquidity provider

In today's markets, we believe the most effective and efficient way to capture trends is by **acting as a liquidity provider**. DTP's two main principles — *be sizable invested in different trends* and *act as a liquidity provider* — are mutually reinforcing.

Acting as a liquidity provider offers room for diversification as trading non-mainstream, diversifying markets in a sizable way often requires careful, liquidity-aware execution. And by holding a truly diversified portfolio, we put ourselves in the position to be patient — able to buy or sell, but never forced to. This enables us to **harvest additional liquidity premium**.

Responsible investing

In our trading we ultimately try to benefit from large prices moves. But we do not want to be the cause of large price moves.

Through careful order flow management and acting as a liquidity provider, we aim to avoid having disruptive market impact and **promote a healthy balance between supply and demand** in the markets we trade.

Having a thorough understanding of the technologies used, the possibilities they offer, and their inherent limitations is key in this respect.

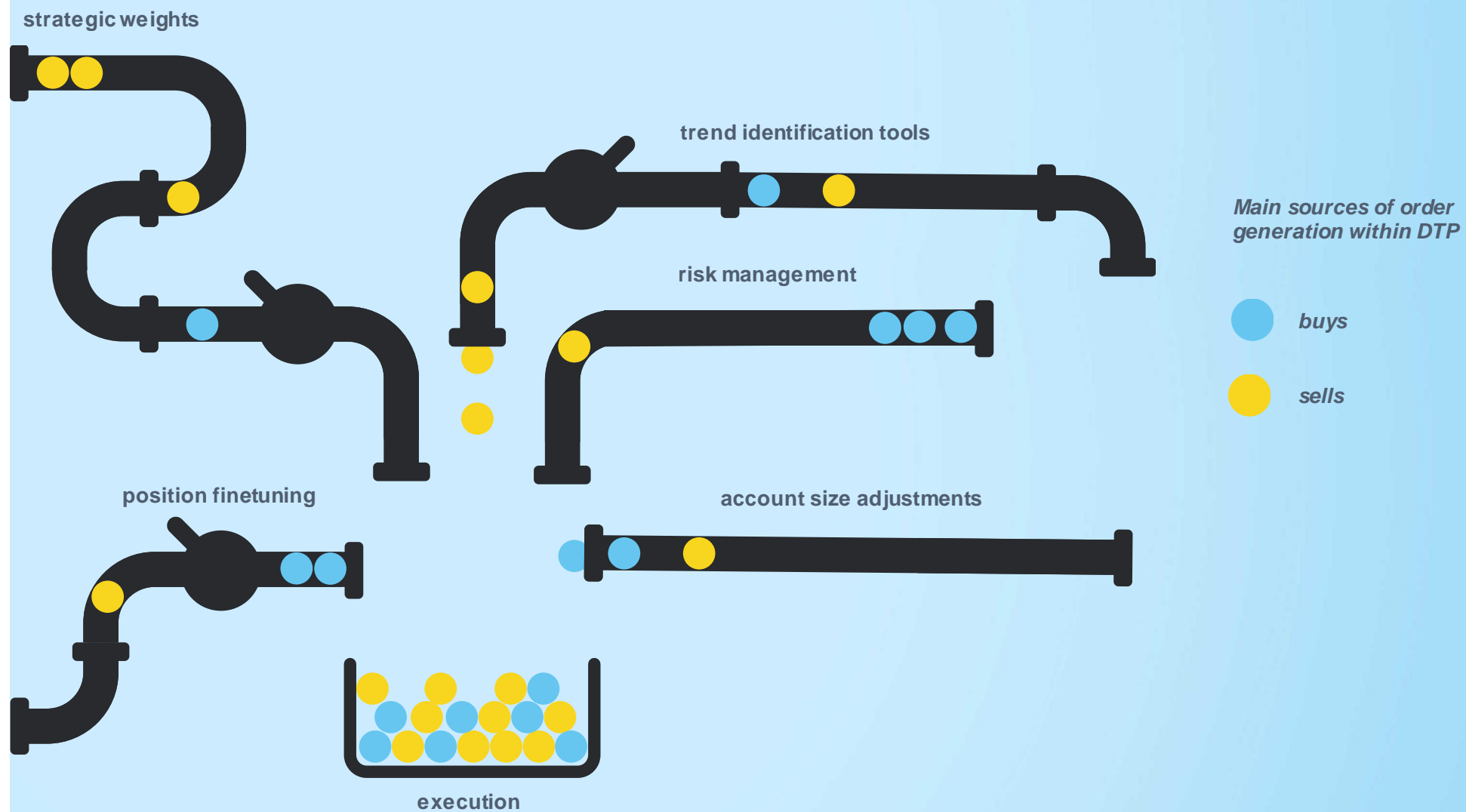
Markets are not a train that one can hop on and hop off without impacting its timetable.

— Harold de Boer, Managing Director / Head of R&D



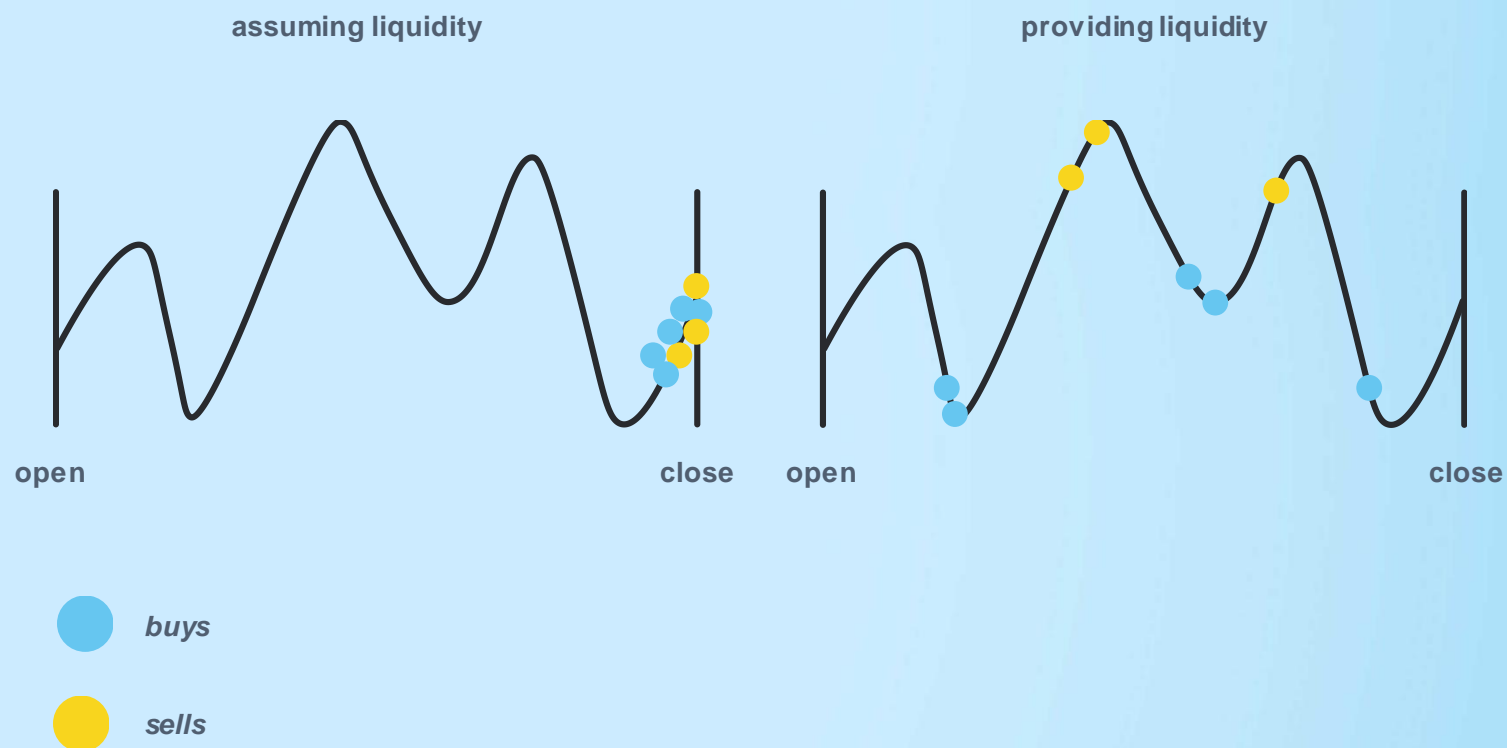


Providing liquidity with our trading – how are orders generated?





Providing liquidity with our trading – what does this mean?



Explanatory notes &
important information



Description of indices used

Throughout this presentation we have used a number of indices to represent certain asset classes:

▮ **Equities – MSCI DM World Index (Net/Local Currency) (Data through April 2023)**

The MSCI DM World Index (Net/Local Currency) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of the following 23 developed market country indexes: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States (as of 31 December 2022). The index takes re-investment of dividends into account.

MSCI including the names of all MSCI indexes and products are trademarks and service marks of MSCI or its subsidiaries.

▮ **Bonds – FTSE World Government Bond Index (USD/hedged) (Data through April 2023)**

The FTSE World Government Bond Index (USD/hedged) measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. The index is calculated daily and rebalanced on a monthly basis and intra-month cash flows from interest and principal payments are not reinvested as part of monthly index total return calculations. The index currently includes sovereign debt from over 20 countries. To be eligible for the index, a local currency government bond market must satisfy certain market size, credit rating and market accessibility level criteria. The monthly currency-hedged return is calculated by using a rolling one-month forward exchange contract as a hedging instrument.

FTSE including the names of all FTSE Fixed Income indexes and products (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of the London Stock Exchange Group plc or their respective licensors.

▮ **Commodities – S&P GSCI Total Return (USD) (Data through April 2023)**

The S&P GSCI measures global commodity market performance through futures. The S&P GSCI is weighted by world production and comprises the physical commodities that have active, liquid futures markets. There is no limit on the number of commodities that may be included in the S&P GSCI; any commodity whose contract satisfies the eligibility criteria and the other conditions specified in this methodology are included.

S&P is a registered trademark of S&P Global, Inc. or its affiliates. GSCI is a registered trademark of The Goldman Sachs Group, Inc.

▮ **Hedge funds – Credit Suisse Hedge Fund Index (Data through March 2023)**

The Credit Suisse Hedge Fund Index is compiled by Credit Suisse Hedge Index LLC. It is an asset-weighted hedge fund index and includes only funds, as opposed to separate accounts. The index uses the Credit Suisse Hedge Fund Database, which tracks approximately 9,000 funds and consists only of funds with a minimum of US\$50 million under management, a 12-month track record, and audited financial statements. The index is calculated and rebalanced on a monthly basis, and reflects performance net of all hedge fund component performance fees and expenses.

"Credit Suisse Hedge Fund Index" is a service mark of Credit Suisse.

▮ **BTOP50 (Managed Futures) – Barclay BTOP50 Index (Data through April 2023)**

The Barclay BTOP50 Index seeks to replicate the overall composition of the managed futures industry with regard to trading style and overall market exposure. The index employs a top-down approach in selecting its constituents. The largest investable trading advisor programs, as measured by assets under management, are selected for inclusion in the index. In each calendar year the selected trading advisors represent, in aggregate, no less than 50% of the investable assets of the Barclay CTA Universe.

BarclayHedge, and all other names, logos, and icons identifying BarclayHedge products and services are proprietary marks of BarclayHedge.

▮ **Trend followers – SG Trend Index (Data through April 2023)**

The SG Trend Index (f.k.a. SG Trend-Sub Index) is designed to track the 10 largest (by AUM) trend following CTAs and be representative of the trend followers in the managed futures space. Managers must meet the following criteria: a) Must be open to new investment; b) Must report returns on a daily basis; c) Must be an industry recognized trend follower as determined at the discretion of the SG Index Committee; and d) Must exhibit significant correlation to trend following peers and the SG Trend Indicator. The SG Trend Index is equally weighted, and rebalanced and reconstituted annually.

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Transtrend's Diversified Trend Program - Enhanced Risk (USD) is currently a constituent of the Barclay BTOP50 Index and the SG Trend Index.

Index returns are provided for comparison purposes only to show how the composite's returns compare to a broad-based index of equities, a broad-based index of bonds, a broad-based index of commodities, the overall hedge fund industry, the overall managed futures industry and/or the trend followers in the managed futures industry. Index returns are based on the available data as per the date of this presentation and might be estimates.

Source of all data used in this presentation: Refinitiv, Bloomberg, BarclayHedge and Transtrend.





Explanatory notes & important notice

IMPORTANT NOTICE & EXPLANATORY NOTES TO THE PERFORMANCE DATA OF TRANSTREND'S DIVERSIFIED TREND PROGRAM

Prospective clients should read Transtrend's latest commodity trading advisor disclosure document (Disclosure Document) or the relevant fund documentation. The performance overview that these notes form part of is for informational purposes only and does not constitute a solicitation to open an account advised by Transtrend or to invest in a fund for which Transtrend acts as commodity trading advisor or alternative investment fund manager. Trading in derivatives such as futures, forwards and swaps pursuant to one of Transtrend's trading programs entails significant risks. No assurance can be given that a client will realize a profit on its investment or that it will not lose some, all or amounts in excess of its investment. Derivatives trading is speculative and can be highly leveraged. Derivatives prices are volatile. Derivatives trading may be illiquid and it may not be possible to execute a buy or a sell order due to various circumstances. An investment may be subject to substantial charges for advisory fees, brokerage commissions and taxes. Please review the Disclosure Document for a more detailed description of the principal risk factors associated with trading derivatives.

- These explanatory notes are an integral part of the performance data presented.
- Transtrend's Diversified Trend Program has two risk profiles investable in various currencies. In the performance overview, Transtrend provides composite rates of return data of one or more subsets.
- The composite rate of return reflects the pro forma net performance for the period divided by the aggregate Nominal Account Size at the beginning of such period. Nominal Account Size means the account size agreed to by the client and Transtrend that establishes the level of trading. Accounts in which the Nominal Account Size exceeds the amount of the Actual Funds are Partially-Funded Accounts and such excess is defined as Notional Funds. Drawdown is expressed as a percentage of the aggregate Nominal Account Size and is based on monthly returns. Peak-to-valley drawdowns based on daily returns are generally larger than peak-to-valley drawdowns based on monthly returns.
- Up to July 2003, an adjusted aggregate Nominal Account Size was calculated in certain months to take account of instructions to increase or decrease the Nominal Account Size of an individual account intra-month, although in certain instances the composite rate of return was calculated by excluding accounts with significant instructed increases or decreases of the Nominal Account Size which would materially distort the composite rate of return. As of July 2003, composite rates of return are calculated on a daily basis which compound to a monthly return. Thus, instructed increases or decreases of the Nominal Account Size of an individual account intra-month, are taken into account when they occur without distorting the monthly composite rate of return.
- In order to aggregate and compare the performance of individual accounts a pro forma reporting format is used, i.e. a standardized format irrespective of specific terms and conditions that may govern individual accounts in practice.
- The composite rate of return takes into account actual trading profits and losses, actual transaction costs, pro forma advisory fees (as of January 1, 2021, a monthly management fee of 1/12 of 1% of the aggregate Nominal Account Size at the beginning of the month taking into account intra-month instructed increases or decreases on a pro rata basis, and a performance fee of 16%; from January 1, 2017 until December 31, 2020 these rates were 1% and 20%, from January 1, 2014 until December 31, 2016 2% and 20% and before January 1, 2014 3% and 25%), pro forma operating expenses (as of January 1, 2017, 1/12 of 0.25% (for the Enhanced Risk (USD) UCITS subset: 1/12 of 0.5%), of the aggregate Nominal Account Size at the beginning of the month taking into account intra-month instructed increases or decreases on a pro rata basis; before January 1, 2017, operating expenses were assumed to be included in the management fee and were not separately taken into account) and pro forma interest income or expenses. With respect to the pro forma advisory fees, management fee and operating expenses are hurdle rates for performance fee, no performance fee on pro forma interest income and a book entry (reversal) of performance fee, if applicable, are taken into account. As Transtrend is not privy in all cases to the arrangements between Transtrend's customers and their brokers, the amount of interest income earned by such accounts is estimated at a rate relevant to the underlying currency subset of the Diversified Trend Program. Before May 1, 2004, pro forma interest income was calculated at a rate equal to 90% of the relevant 3-month interest rate on the aggregate Nominal Account Size. From May 1, 2004 until August 31, 2008, the composite rate of return included pro forma interest income at a rate equal to 90% of the relevant 3-month interest rate on Actual Funds. As of September 1, 2008, pro forma interest income on Actual Funds is calculated at a rate equal to 90% of the relevant overnight interest rate with a floor of 0%. As of January 1, 2017, in case of a negative relevant overnight interest rate, the pro forma interest expenses on Actual Funds are calculated at a rate equal to 100% of the relevant overnight interest rate.
- As of January 1, 2021, pro forma performance fees are settled on an annual basis at year-end, if applicable, with the settlement of pro forma performance fee per the end of 2020 serving as the initial high water mark. Periodic settlement of pro forma performance fees empties the performance fee reserve so that negative, or positive, rates of return occurring after the last settlement of pro forma performance fees will only be moderated by the give-back, or accrual, respectively, of the amount of newly built-up pro forma performance fees after this settlement date. Before January 1, 2021, a negative monthly composite rate of return was mitigated by a consistent book entry reversal of the accrued pro forma performance fees and, before May 1, 2004, by pro forma interest income on the aggregate Nominal Account Size instead of Actual Funds, irrespective whether the book entry reversal was actually effectuated or interest was actually received. A similar effect occurred for a positive monthly composite rate of return, where a consistent book entry of pro forma performance fees was made, irrespective whether the book entry was actually effectuated. The consistent book entry (reversal) of pro forma performance fees likely reduces the volatility of the composite rates of return in comparison to situations where performance fees are periodically settled. Consistently giving back accrued pro forma performance fees in periods of negative rates of return may also result in an underestimation of drawdowns in comparison to situations where performance fees are periodically settled.
- As the rates of the management fees and performance fees charged by Transtrend to its clients have come down considerably, the pro forma advisory fees were adjusted over the years to bring them more in line with actual advisory fees. Lowering the pro forma management fee has, with all other things being equal, the following effects: a) drawdowns will be less deep and b) the duration of peak-to-valley drawdowns may be shorter. Lowering the pro forma performance fee has, with all other things being equal, the following effects: a) drawdowns will be deeper and b) volatility will be higher.
- The rate of return on an individual account may deviate from the composite rate of return of the subset it is part of, e.g. because of differences in Nominal Account Size, portfolio composition, advisory fee structure, actual operating expenses or the amount of Actual Funds in relation to the Nominal Account Size.
- Between April 2021 and October 2021, the composite rate of return of the Enhanced Risk (EUR) subset excluded in certain months the performance of a small account that was part of this subset, as the test permitting the presentation of an account on a composite basis as set forth in NFA interpretive notice 9054 was not met in such months. As of April 2023, the composite rate of return of the Standard Risk (EUR) subset excludes in certain months the performance of an account that qualifies as a Proprietary Account in these months (CFTC regulation 4.35 (a)(8)(i)). More information, including a complete overview of the months/performance concerned, is available upon request.
- Transtrend's latest Disclosure Document is available upon request. The Disclosure Document contains composite performance tables for each subset. It also provides further explanations and itemizes principal risk factors.
- Although Transtrend has exerted great care in creating the performance overview, it cannot be held responsible for computational or clerical errors.

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transtrend




Break



INVESTMENTWEEK 2023

OAKK Capital Partners and its Skills

 Willem Johannesma – Co-Founder & Partner, Yvonne van Haaren – CFA Analyst

 09 mei 2023

Content



- **1. Introduction OAKK Capital Partners**
- 2. Trendfollowing strategies: The Windmill Trend Evolution Fund
- 3. Kahoot quiz

“ Solid investment solutions,
accessible for everyone

‘OAKK voor jou’ ”

“ Income planning, pensions and investments are difficult topics to understand and to act on for most people although on the other hand they are more and more self-relying on it.

Therefore our purpose is to make personal guidance and solid wealth management accessible for everyone. ”

OAKK Capital Partners

One company, two brand names



OAKK's journey



2003	2008	2009	2013	2014	2017	2020	present	next 5 years
<p>Hopstaken Johannesma & Co (HJCO) Give private investors access to alternatives.</p>	<p>Joint Venture HJCO– Man Group plc. New name Man Inv. Nederland BV</p>	<p>>500 AUM through Man Inv Nederland BV</p>	<p>Management buy-out by Arthur and Willem</p> <p>Man Inv Nederland becomes HJCO Capital Partners</p>	<p>Set up Beleggersgiro HJCO, our own custody platform to transact and administer funds for clients.</p>	<p>Introduction OAKK Beheerd Beleggen in the Netherlands. Unique investment platform for IFA's and their clients.</p>	<p>Name change from HJCO to OAKK Capital Partners as OAKK is growing much harder than HJCO.</p>	<p>More than 400 IFA and more than 15.000 clients for OAKK Beheerd Beleggen HJCO AAA platform leading alts platform in NL</p>	<p>Become a leading provider of pension and investments in the Netherlands next to the big pension funds</p>

OAKK Beheerd Beleggen has been licensed by Dutch AFM en DNB since 2003v

Investment beliefs

Three pillars



- **Market timing does not add value, 'passive' asset allocation**
market timing is the road to disappointment

- **Traditional capital markets are predominantly efficient**
well diversified esg screened strategies for equities and bond markets

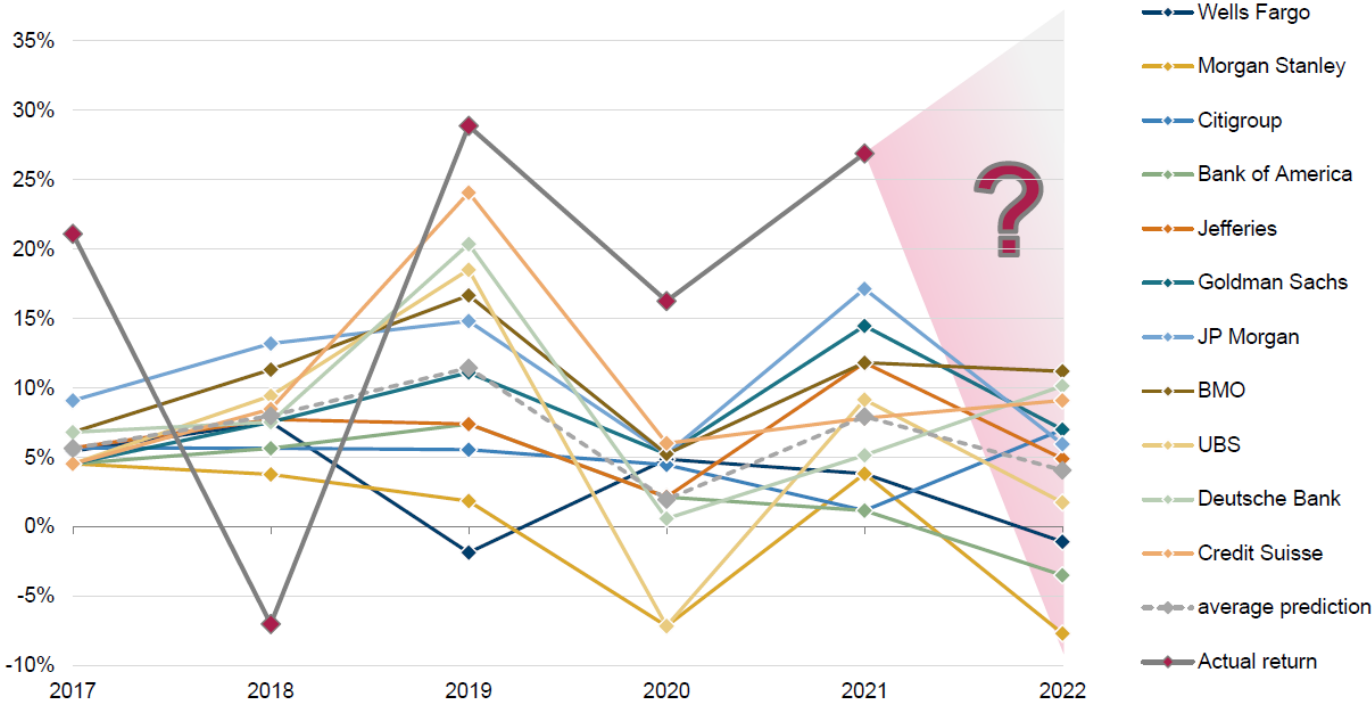
- **Intelligent allocation with 'skills' enhances the risk/return profile**
an allocation to professional strategies makes client portfolios more robust

The Theory

Forecasting returns is difficult



S&P 500 forecasts



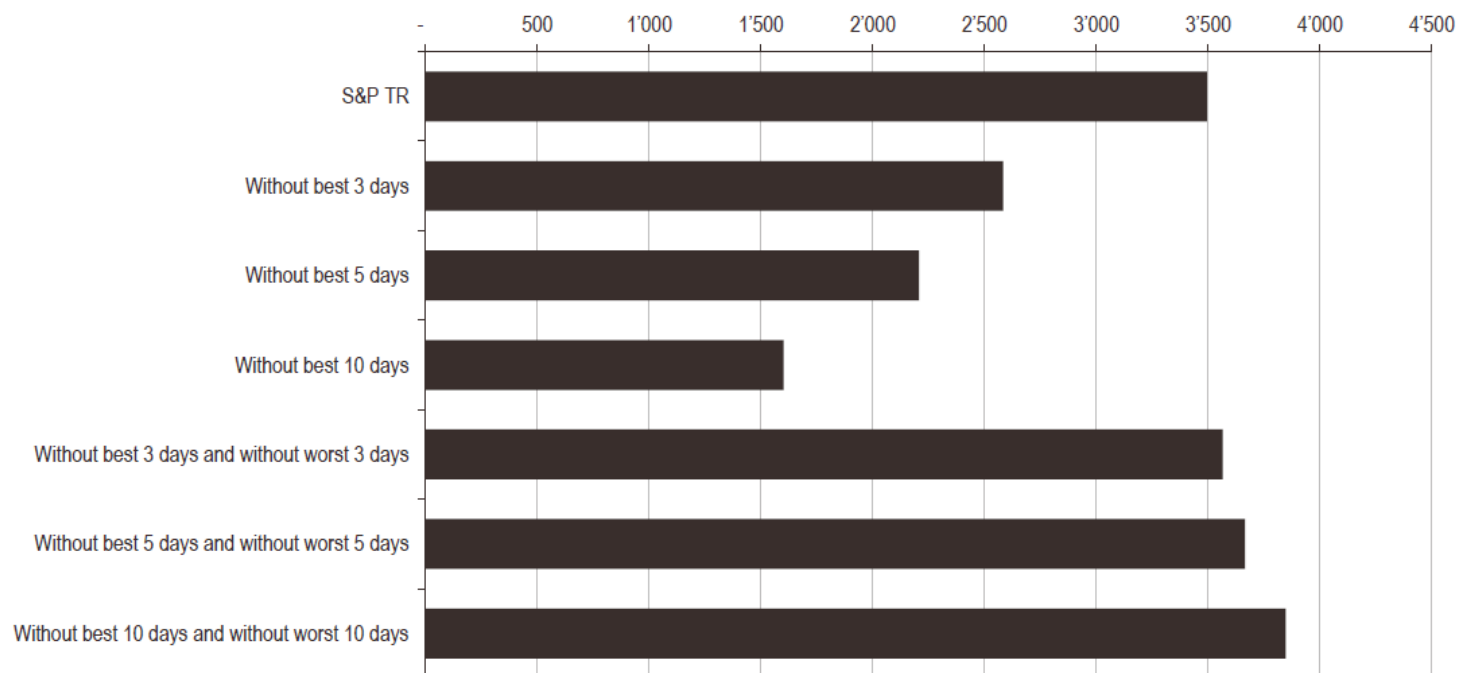
© Mar 2021
Source: Man Group database and Bloomberg, as of January 2022. Certain indices/measures mentioned on this page have been provided for information purposes only. They are intended to provide a comparative indication of particular asset classes, investment sectors, or financial markets more widely ('market backdrop'). Unless indicated otherwise, the investment process of the Programme is independent of these indices/measures. Forecasts are provided for illustrative purposes only.

Drawdown management can help long-term success



Take care of losers, winners take care of themselves

Investing 100 in the S&P500 in 1988 would result today in...



Source: LOIM, Bloomberg; for illustrative purposes only. It is not possible to invest in an index and no benchmark/index is directly comparable to the investment objectives, strategy or universe of a fund. Past performance is not a guarantee of future results.

Skills



= what we call the hedgefunds (or alternative funds) we select.

- The skills of the manager are dominant for the performance, not the market. (Skill based)
- Flexible, Skills can make use of all available financial instruments
- Predetermined performance and risk objectives, not linked to a benchmark

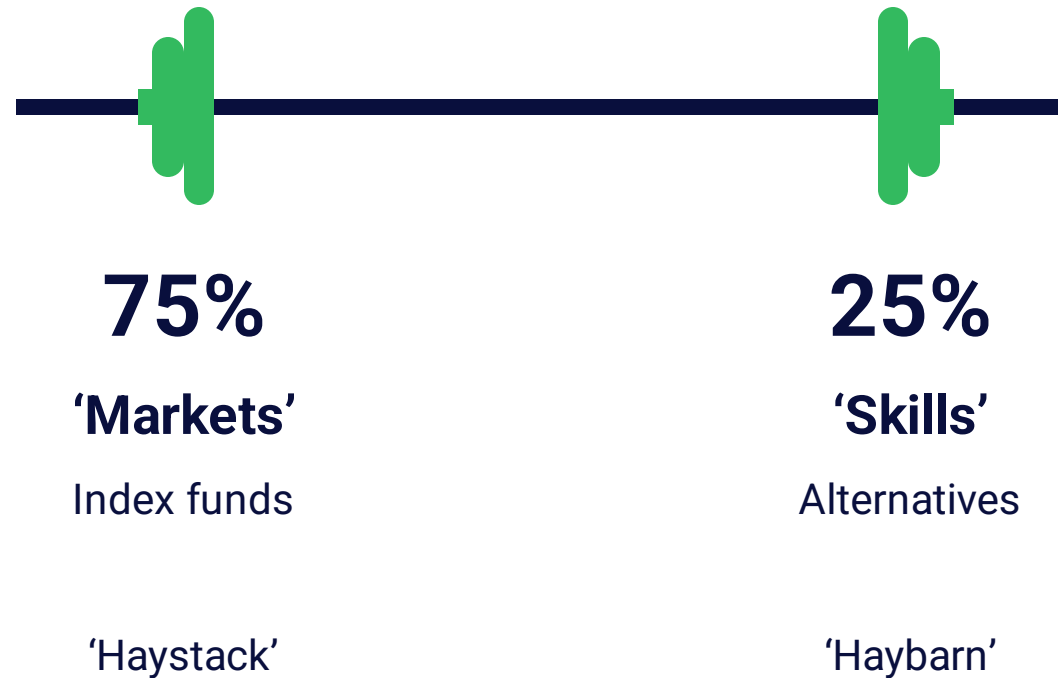


De OAKK Solid portfolio

Index & Skills



A 'halter strategy': don't invest in the middle!



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The Windmill Trend Evolution Fund



**The most innovative and succesful systematic
trendfollowing programmes in one Fund:**



transtrend



The trendfollowing strategy explained



The Windmill Trend Evolution Fund



Strategy

- Innovative and successful systematic trendfollowing strategies of best-in-class fund managers.
- Appr. 70% allocation to 'alternative markets CTA's', who are difficult to access.
- Consistent momentum driven strategy underpinned by deep market access and execution, 15+ year track record both pre and post crisis.
- Low correlation with stocks, bonds, traditional CTA's; 'crisis alpha'.
- Access to substantial capital growth with a controlled volatility level:

Performance	7,7% p.a.
Volatility	8,8% p.a.

Trendfollowing strategy during drawdowns

During drawdowns trendfollowing strategies add most value



	AHL Alpha Core Programme	US stocks	World stocks
1. Russian crisis and LTCM difficulty 1 Aug 1998 to 30 Sep 1998	22.3%	-9.0%	-14.0%
2. Equity bear market 1 Apr 2000 to 31 Mar 2003	64.4%	-40.9%	-45.7%
3. Credit crisis 1 Jul 2007 to 28 Feb 2009	25.4%	-49.2%	-49.3%
4. European sovereign debt crisis 1 Apr 2011 to 30 Sep 2011	4.0%	-13.8%	-15.4%
5. China crisis 1 Jan 2016 to 28 Feb 2016	4.3%	-5.1%	-6.8%
6. Q4 2018 sell-off 1 Oct 2018 to 31 Dec 2018	4.2%	-13.5%	-12.9%
7. COVID-19 Pandemic 1 Feb 2020 to 31 Mar 2020	6.2%	-19.6%	-19.6%
8. Inflation / Rate rise 1 Jan 2022 to 30 Jun 2022	11.6%	-20.0%	-18.0%

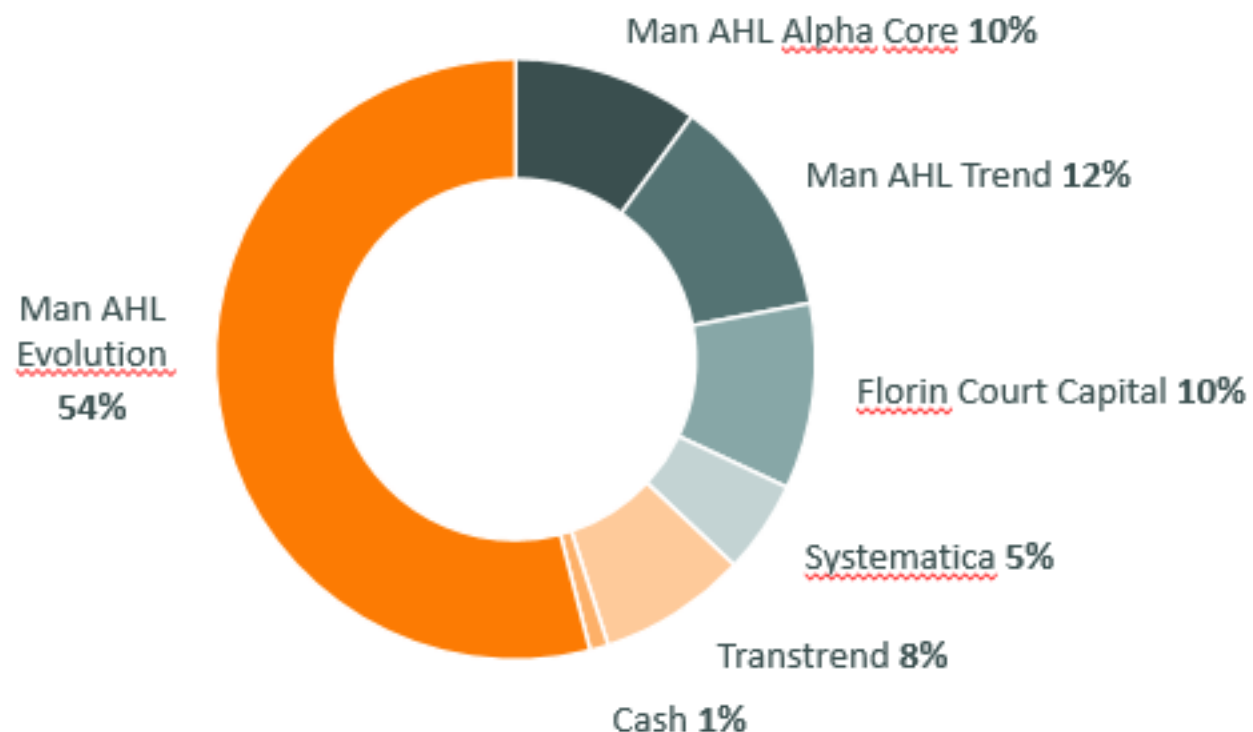
1) In het verleden behaalde resultaten bieden geen garantie voor de toekomst. Trackrecord data komt van Man AHL Alpha Programma van 17 oktober 1995 tot 30 juni 2022

The underlying Funds

In Windmill Trend Evolution Fund



per september 2022¹



1) Dit is een moment opname, de samenstelling van de portefeuille kan wijzigen.

Alternative vs Traditional Markets



per september 2022¹



Aandelen	29%
Vastrentende waarden	25%
Credit	0%
Valuta	21%
Energie/Metalen/Grondstoffen	25%
Opties	0%



Aandelen	24%
Vastrentende waarden	24%
Credit	16%
Valuta	15%
Energie/Metalen/Grondstoffen	15%
Opties	6%

1) Dit is een moment opname, de samenstelling van de portefeuille kan wijzigen. Voor de sector invulling van Alternatieve markten is Man AHL Evolution gebruikt als proxy. Voor de sector invulling van Traditionele markten is Man AHL Alpha Core gebruikt als proxy.

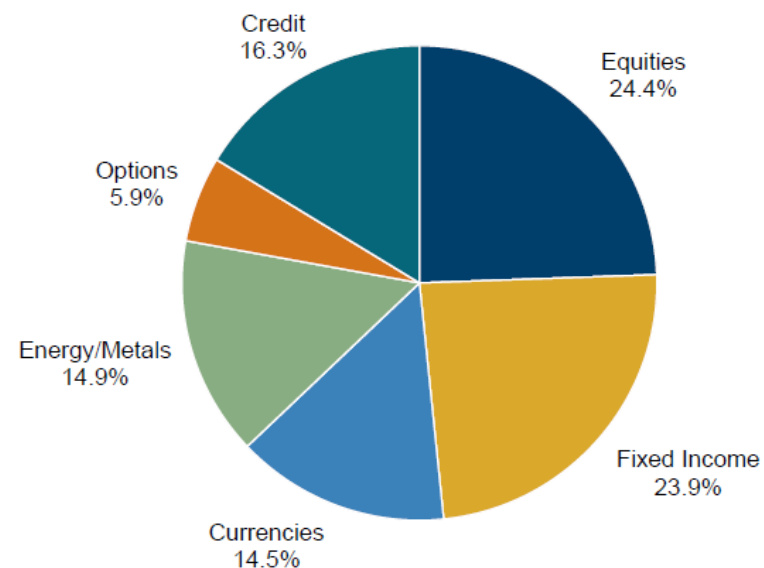
AHL Evolution Programme



Sectors and markets

Sector	Number of markets	AHL Evolution Programme examples	Conventional CTA portfolio examples
Credit	~20	IG and HY credit indices, e.g. CDX, iTraxx	None
Fixed Income	~70	Interest Rate Swaps across EM and DM; US Agency TBAs	Treasuries, Bunds
Energy/Metals	~50	European electricity and coal; iron ore	Oil, Gas
Equities	~180	US, Europe and Asian industry sectors via cash equities; US ETFs	S&P, Dax, FTSE 100
Options	~50	Volatility of global futures as ETFs, spanning equities, FX, FI, commodities	None
Currencies	~20	EM currency forwards	EUR, GBP, JPY
Total		~390	~150

Long term asset class allocations¹



Steering on Volatility

Risk management is key



Content



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Energizer:

Kahoot quiz!



- Form a team of 3-4 persons
- Use 1 phone per team
- Go to kahoot.it and fill out pin and name of your team



Thank you for your attention!

Any questions?

Reach out to us:

www.oakk.nl

www.hjco.nl

Visit us:

OAKK Capital Partners

World Trade Center

Beursplein 19

3011 AA Rotterdam



transtrend



Including trend following strategies in an investment portfolio

Investment Week 2023, Wednesday 10th May, Rotterdam