



▶ AG Capital

INVESTOR PRESENTATION

LEGAL NOTICE

THE RISK OF LOSS IN COMMODITY INTEREST TRADING CAN BE SUBSTANTIAL. YOU SHOULD, THEREFORE, CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY INTEREST TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF DIFFERENT STRATEGIES UTILIZED IN COMMODITY INTEREST TRADING AND SIGNIFICANT CONSIDERATIONS SHOULD BE GIVEN TO WHICH STRATEGY IS APPROPRIATE FOR YOUR PARTICULAR FINANCIAL SITUATION. ALL INVESTMENTS IN THE COMMODITY INTEREST MARKET SHOULD BE MADE WITH RISK CAPITAL ONLY. PLEASE ENSURE THAT YOU ARE FULLY AWARE AND UNDERSTAND ALL RISKS, FEES, AND OTHER CONCERNS RELATED TO YOUR INVESTMENT BY REQUESTING THE COMPANY'S COMPLETE DISCLOSURE MATERIALS. THE RISK OF TRADING IN FUTURES AND OPTIONS CAN BE SUBSTANTIAL. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

BUSINESS OVERVIEW



FIRM: AG CAPITAL IS A GLOBAL MACRO INVESTMENT FIRM

- Strategy takes concentrated positions in high conviction themes, complemented by shorter-term contrarian trades, all while carefully managing position sizing and risk
- Annualized net returns above 20% since inception in 2014



STRATEGY: **FUNDAMENTALLY ORIENTED, DISCRETIONARY LONG/SHORT INVESTING**

- Markets traded include major currencies, commodities, equity indices, and interest rates
- Uncorrelated returns with little to no beta to equity, commodity, or fixed income markets
- Target returns of 10+ percent per year with controlled risk



PORTFOLIO MANAGER: **ASIM GHAFAR**

- 20 years of experience as a foreign exchange and futures trader
- Professional background at Charles River Associates, Bain & Company, Cambridge Associates
- Significant portion of PM's liquid net worth invested in program; PM's interests aligned with investors'



PHILOSOPHY & VALUE PROPOSITION

PHILOSOPHY

- ✓ Longer-term (3+ month) market movements occur for fundamental reasons
- ✓ Quantitative/algorithmic/high-frequency trading impacts short-term (intra-day to multi-day) market behaviors, but has not changed the monthly/quarterly/yearly movements
- ✓ Investing and trading is an *art form* as much as it is a *science*
- ✓ In a world starved for return, where traditional asset classes (stocks, bonds, real estate) have been expensive for decades, investors need strong absolute returns to meet their objectives
- ✓ Some volatility is necessary to deliver strong returns: it's important to limit drawdowns, but an incessant focus on volatility means losing the ability to deliver strong returns

VALUE PROPOSITION

- ✓ AG Capital: classic, discretionary macro investing style
- ✓ Our edge:
 - 20 years of experience in futures markets
 - + strong fundamental analysis
 - + controlled risk taking
 - = sustained, repeatable profits
- ✓ Transparency of our thought process, explained in person and in our letters
- ✓ Idea driven and agnostic about market direction: equally able to go long and short across all markets
- ✓ Substantial part of our own assets in the strategy: we believe it's the best way to compound our own wealth

AG CAPITAL RISK MANAGEMENT



RISK MANAGEMENT FEATURES

- Position sizing based on stop loss positioning and market volatility – 0.25 - 2% of equity risked upon trade initiation
- Leverage is an output of the system; leverage is never predetermined
 - The market opportunity, the capital risked in the trade, and the correlation with existing positions all inform the leverage applied
 - 15% average margin-to-equity (normally ranges 5-25%)
- Portfolio manager discretion and technical measures used as final input into position sizing



RISK MONITORING

- Value-at-Risk (VaR) and exchange margin requirements monitored
- Intra-day, real-time portfolio information monitored by PM and risk manager
- Liquidity monitored based on open interest and daily volume of markets being traded
- Correlation and diversification analysis conducted
- Gross and Net exposures reviewed daily



OPERATIONAL CONTROLS

- Portfolio management and risk management separated into two roles – risk manager conducts independent reviews of positions
- Independent third-party valuation of portfolio at month end
- 100% exchange cleared portfolio, continuously marked at exchange prices
- Business continuity and disaster recovery process tested monthly

MARKETS & EXCHANGES TRADED

MARKETS:

FULL SPECTRUM OF MAJOR, LIQUID NORTH AMERICAN FUTURES MARKETS



CURRENCIES

- Australian Dollar
- British Pound
- Canadian Dollar
- Euro
- Japanese Yen
- Mexican Peso
- Swiss Franc



EQUITY INDICES

- DJIA
- S&P 500
- Nasdaq
- Nikkei



INTEREST RATES

- Treasury Bond
- 10-Year T-Note
- 5-Year T-Note
- 2-Year T-Note
- Eurodollars



ENERGY

- Crude Oil
- Heating Oil
- RBOB Gasoline
- Natural Gas



METALS

- Gold
- Silver
- Copper
- Platinum
- Palladium



AGRICULTURE

- Corn
- Wheat
- Soybeans
- Soybean Oil
- Soybean Meal
- Live Cattle
- Lean Hogs
- Sugar
- Cotton
- Cocoa
- Coffee

EXCHANGES:



Note: All trades are done in exchange-traded instruments.

OUR TEAM



ASIM GHAFFAR

CHIEF INVESTMENT OFFICER

Asim founded AG Capital in 2014. He has a background in economics, strategy, and investment consulting, as well as futures trading and risk management. Most recently, he worked as an investment consultant in Cambridge Associates, LLC's Boston office, where he advised foundations, universities, private clients, and insurance groups in the U.S. ranging in size from \$100 million to \$20 billion. Prior to joining Cambridge Associates, Asim was a Principal at Partners Capital Investment Group, LLC, an international investment advisory firm. Before that, he was a strategy consultant at Bain & Company, Inc. He began his career as an economics and business consulting analyst at Charles River Associates, Inc.

- MBA, MIT Sloan School of Management
- BA, Economics, Dartmouth College



ROGER DOWD

MANAGING DIRECTOR

Roger has a background in derivatives trading and private wealth management. Prior to joining AG Capital, Roger founded Axiom Capital where he was principal trader of managed futures accounts trading equity index, interest rate, currency and commodity futures. While at Axiom he traded outside capital in separately managed accounts from 2007 to 2014. Before that he worked in UBS' and Morgan Stanley's Private Client Groups where he helped families build municipal bond portfolios designed for tax free income. Roger began his career at Caxton Associates on the FX desk for USD/JPY. He lives in Boston and is a distance runner.

- BA, Psychology and Philosophy, Marist College