



Portfolio  
Management

# Presentation of IRONSTONE and POLIALBA

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A unique approach to capture  
the best performance windows  
of the best traders

*portable*

*liquid*

*alpha*

*absolute*

*return*

*strategies*

*persistent*

*performance*





# flexible, scalable, investable baskets of manager talent

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*portable  
liquid  
alpha*

The performances of fixed income, macro, futures, commodities and FX managers are available via the Deutsche Bank AG London UK **db Select Platform**

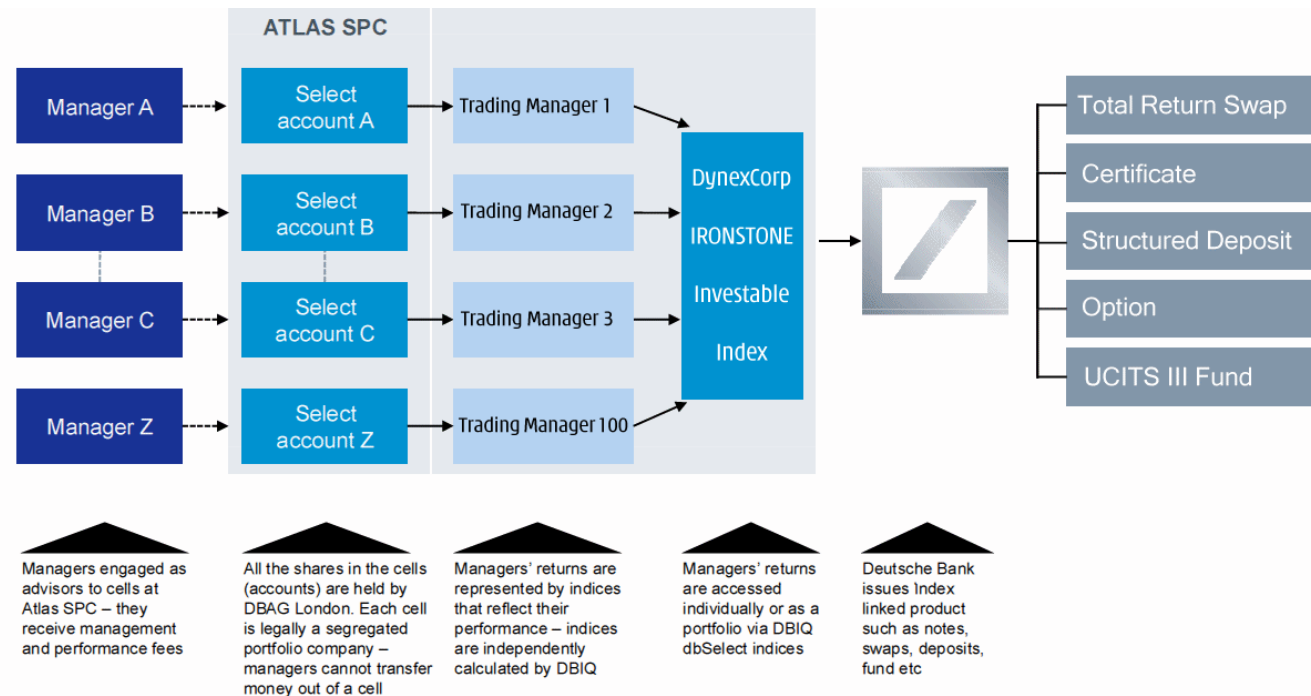
*absolute  
return  
strategies*

- the db Select platform was launched in 2004
- assets under management at ~ USD 4bn
- with 300+ managers chosen (about 80 of them active)
- and with 300+ investor mandates

*persistent  
performance*

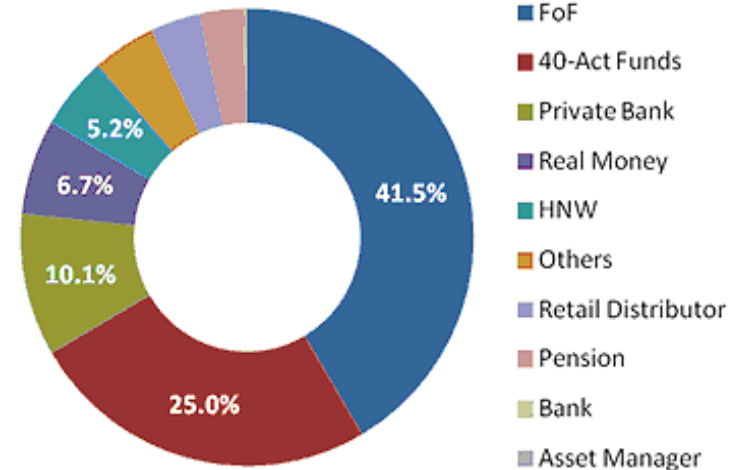
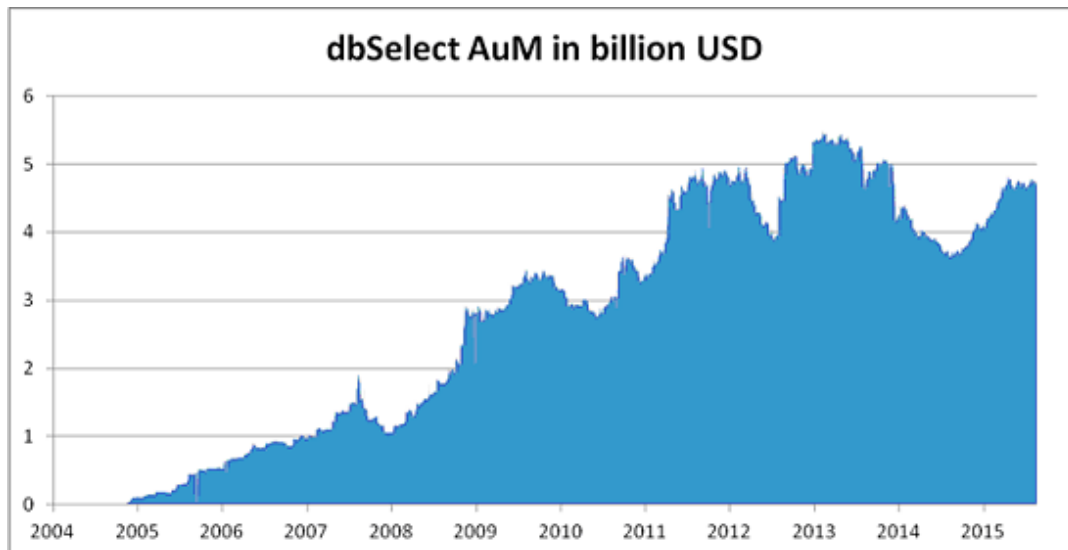


db Select lends itself to form dynamically manager talent baskets (an “investable basket”). The basket allocator (DynexCorp Ltd) is a "composer". Picking managers is creative but never easy, like playing the keys on a piano: the task of a virtuoso.



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db Select derivatives platform  
assets are returning to their 2013 highs  
of USD 5.5billion  
investor mix dominated by  
FoF (includes Family Offices),  
40-Act-Funds and Private Banks





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*portable  
liquid  
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db Select  
is the investment industry's leading  
derivatives platform in terms of its  
ability to provide:

|                     |                                       |
|---------------------|---------------------------------------|
| <i>Leverage</i>     | partial or zero funding based on risk |
| <i>Gap Risk</i>     | db Select insures price gaps events   |
| <i>Liquidity</i>    | daily allocation or de-allocation     |
| <i>Flexibility</i>  | available via various instruments     |
| <i>Efficiency</i>   | switching managers at zero bid/ask    |
| <i>Transparency</i> | Deutsche Bank is calculation agent    |



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not a fund but  
an investible basket  
with greater choice of flexible solutions

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*dbSelect*  
has full transparency

- *DB takes on the liquidity risk*
- *DB owns the positions, not the investor*
- *DB holds the cash, not the manager*
- *all positions clear through DB as Prime Broker*
- *underlying managed accounts may be notionally funded*
- *DB posts margin, extending unfunded benefits to clients*
- *"Investible Baskets" can be constructed dynamically using DynexCorp's expert technologies in choosing managers*

# Investible Basket Construction

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*Zeta*  
*expert technology*

## **Background of Dynex for the current algorithmic methodology**

**30 years** of monitoring investment manager baskets

**15 years** of collaboration with Deutsche Bank

**6 years** of hands-on experience in funded basket construction  
daily database of **302 managers** spanning from 2004 to today

**manager performances are subject to the same expert technology**

they are ranked daily according to their **Zeta measure**  
(a proprietary measure of volatility, alpha and persistence)  
and filtered on the basis of their current performance cycle

# Advantages of IRONSTONE and POLIALBA Algorithm

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*nimble*  
*risk containment*

## **NIMBLE SOPHISTICATED ALLOCATION ALGO**

As opposed to basket managers who assess weekly, fortnightly or monthly, DYNEXCORP evaluates daily, even hourly, reacting instantly to critical performance changes.

Experience is favoured over start-ups and newcomers.

To qualify for an allocation, managers must have a platform presence of at least 100 days.

Trading style and manager correlation are not critical because risk is contained by speedy de-allocation.





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# How to invest in our "Investible Baskets"

*dbSelect*  
has full transparency

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**IRONSTONE and POLIALBA can be custom-tailored**  
**Determine your risk**

Multiply the unleveraged basket results by a **leverage factor** in order to obtain the targeted annualised volatility and risk

**NOTIONAL = the cash investment x the leverage factor**

Example: 2m cash (margin at Deutsche Bank) at 5x leverage  
result in the **minimum NOTIONAL of 10m**

You may now choose the investment instrument

a **Total Return Swap (TRS)** – or a **Certificate**



## DynexCorp Team

### Biographies



**Peter Panholzer**, CEO of DynexCorp, holds a Master's Degree from the Technical University of Vienna. His currency trading career spans 34 years. A Canadian citizen since 1979, he joined ContiCommodity (Canada) in the same year and became one of Conti's foremost money managers, based on the success of his Magnum Currency Program. With nearly 300 accounts, it is believed to be the first ever systematically managed currency program offered to the general public at large, an early example of currency alpha as an asset class.

DynexCorp, an institutional currency portfolio manager formed by Panholzer in 1990, received proprietary funds from Deutsche Bank in 2003, was accepted to the DB FXSelect platform in early 2005, and subsequently invited by Deutsche Bank to construct investable FX baskets. In mid-2009 Panholzer replaced systematic trading with Tetra FX Macro, based on positioning research and psychological indicators.



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### Biographies



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**Marlene Harrison**, Partner, has been in the investment business in Toronto since the early 1980s. In 1982 she passed the Canadian Securities Examination required for registration with Ontario Securities Commission and the Toronto Futures Exchange, and gained experience as account executive and portfolio manager at Bache Securities, Toronto, Canada (1982), E.F.Hutton & Co, London, UK and Walwyn, Stodgell, Cochran, Murray, Toronto, Canada (1984), thereafter at Refco Futures, Canada Ltd, where she managed accounts with a successful S&P trading system (1985/86) before joining DynexCorp in 1990.

Marlene double-checks minute-by-minute performance as well as price level alarms. Her other functions include monthly performance reporting, compliance matters and liaising with third party service providers: Data Collection, Charting and Programming: *SnapDragon Systems, Oxford*; Prime Broker – *Deutsche Bank, London*.



## DynexCorp Team

### Biographies



**Jeffrey Boyko**, DynexCorp Director of Marketing for North America, holds an engineering degree from his hometown of Winnipeg, Canada. He obtained his Chartered Financial Analyst (CFA) designation in 2000. Jeff has been with DynexCorp since 1997 and has been instrumental both as trader and in a sales and marketing capacity. He also founded Castle Currency Management in 2000, focusing on hedging commercial currency exposure, primarily for Canadian companies.

A Professional Engineer, Jeff is a Chartered Financial Analyst with membership in the CFA Institute and an affiliate member of the Global Association of Risk Professionals. Jeff has worked in the United States, Monaco and Canada, and has regularly made presentations at conferences and seminars about the workings and advantages of foreign exchange investment products and investable currency baskets .



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