



COLEMAN GROUP SYSTEMATIC QUANT TRADING STRATEGY

A GLOBAL MULTI-STRATEGY QUANT ASSET MANAGER

COLEMAN GROUP is an alternative investment manager which specialises in quantitative investing. The management team has amassed numerous years of experience in the institutional alternative asset management space and in systematic investing in particular.

COLEMAN GROUP believes that markets are fundamentally inefficient. The application of scientific analysis across a wide range of financial markets allows us to capture those inefficiencies. This approach relies on a systematic approach to managing risk using our own sophisticated mathematical techniques

A SYSTEMATIC 'VALUE INVESTING' APPROACH

The approach uses a collection of trading strategies perfected over the last decade which aim to maximize returns and minimize risk.

- Proprietary models used to uncover statistically significant deviations in relationships between securities
- We aim to generate 10-12% absolute returns per annum with target volatility of 5%
- The strategy was profitable in 93% of months since 2006.

We use 4 strategies for diversification of returns - Delta neutral Value Investing, Volatility based futures program and a VIX ETF strategy.

STRATEGY 1:

Delta Neutral Value Portfolio - Portfolio constructed using a smart ranking technique of value and momentum factors

STRATEGY 2:

Volatility Based Signal Strategy - information in volatility used by algorithm to select buys and sells on the SPX and SX5e futures

STRATEGY 3:

VIX ETF Strategy - Machine learning model to generate buy and sell signal on VXX and SVXY

STRATEGY 4:

The strategy only buys stocks that have declined over their recent half-cycle, as determined by our algo. In fact, the stocks need to have put in a new short term low in order to qualify. The system can therefore be characterized as a systematic "value investing" strategy.

SYSTEM KEY FEATURES

- **Stock universe:** S&P500, Eurostoxx 600, Major Listed index futures, Volatility ETF's
- **Signals generated:** Daily
- **Weightings:** Equal weighting given to signal, produces an equal weighted basket.
- **Trade duration:** Positions are held for an average of 5 trading days.
- **No stop losses or take profit levels. (All trades exited after 5 days whether in profit or loss)**
- **Non - Leveraged**
- **Risk management - hard stops at 2std, no trade over binary events**

RISK & MONEY MANAGEMENT

- The system, which is Non-leveraged, is most active during periods of market volatility, like 2008/2009 and August 2015. In such periods, a non-leveraged approach allows us to cautiously buy dips. This is the opposite of the leveraged trend following approach adopted by most hedge funds, who often become increasingly leveraged long at market tops.
- Back testing of trend following systems reveals that strict stop loss and take profit rules (known as money management rules) will enhance performance. However, for mean reversion strategies such as ours then these tactics reduce performance. For this reason we operate equally strict time based exit rules, meaning that the majority of trades are exited after 5 trading days, regardless of profitability.

INVESTMENT TEAM

- **Nik Zujic**

Nik has over 18 years of industry experience managing capital at banks and hedge funds. Nik began his career at Halbisin Hong Kong as a quant developer building factor models. From 2004 to 2016, Nik worked as a portfolio manager and trader at Citigroup, Cheyne, Goldman Sachs, Citadel, and most recently as CIO at FM Capital Partners Ltd overseeing the entire investment process.

- **Anthony Medina**

Investment professional with trading and risk management experience at Lehman Brothers, Nomura, RBS and Hedge funds, previously Global Head of Volatility Trading and Head of Proprietary Trading at RBS.

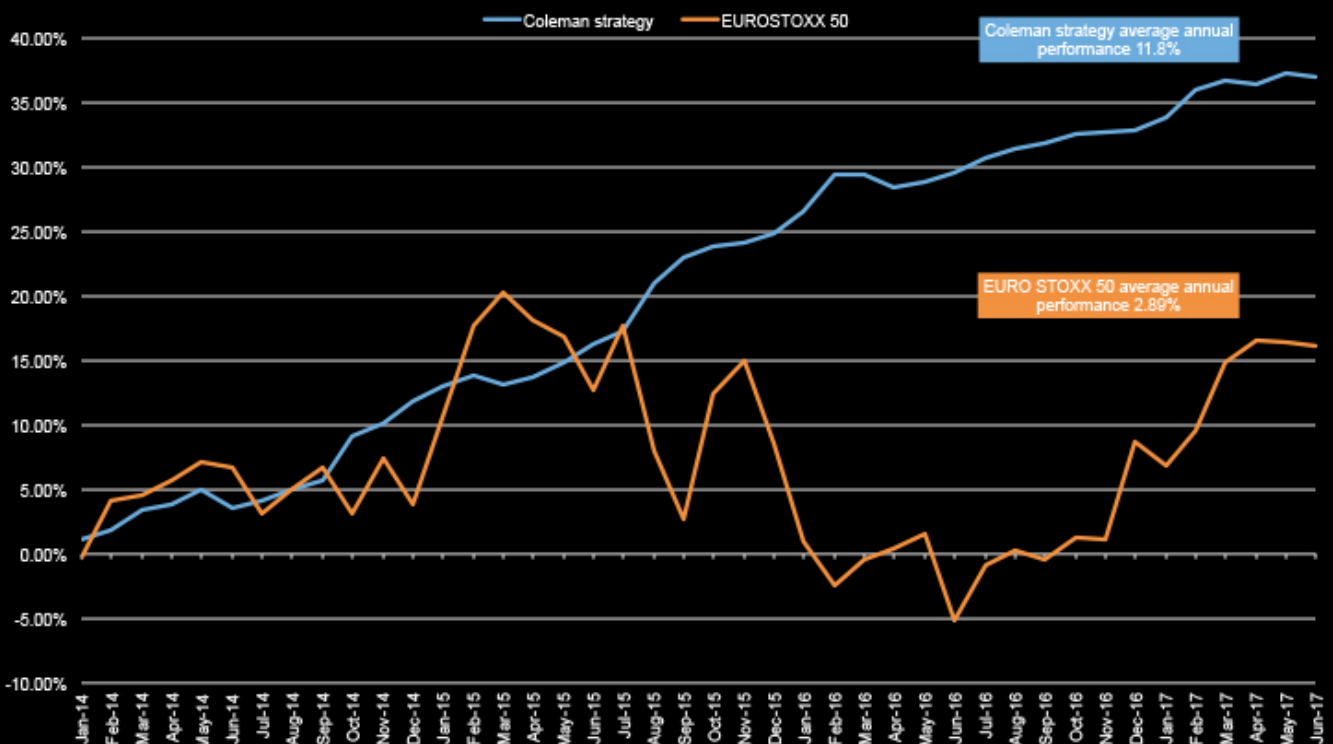
- **Dennis van Kollenburg**

Dennis started his career as a market maker in Dutch convertible bonds for Eduard De Graff. Rabobank acquired Eduard de Graaff in 2004 where Dennis headed Rabobank's large cap equities trading desk. In 2011 he became CIO of Kaizen a hedge fund he launched with \$100M AUM. Dennis has 21 years of experience providing him a unique knowledge of market dynamics and trading strategies.

MONTHLY PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	Dec	Annual	Sharpe
Strategy 2014	1.07%	0.81%	1.47%	0.53%	1.16%	-1.48%	0.53%	0.94%	0.68%	3.44%	1.02%	1.63%	11.80%	3.40
Eurostoxx 50	-0.31%	4.49%	0.39%	1.16%	1.44%	-0.50%	-3.49%	1.83%	1.67%	-3.55%	4.33%	-3.60%	3.86%	
Strategy 2015	1.15%	0.87%	-0.62%	0.52%	1.12%	1.43%	1.01%	3.74%	1.94%	0.91%	0.33%	0.71%	15.66%	3.10
Eurostoxx 50	6.65%	7.13%	2.70%	-2.24%	-1.25%	-4.19%	5.02%	-9.64%	-5.31%	9.75%	2.55%	-6.43%	4.74%	
Strategy 2016	1.66%	2.78%	0.09%	-1.06%	0.42%	0.71%	1.18%	0.77%	0.46%	0.58%	0.21%	0.18%	7.98%	2.80
Eurostoxx 50	-7.67%	-3.32%	1.99%	0.77%	1.16%	-6.71%	4.30%	1.08%	-0.69%	1.75%	-0.12%	7.54%	0.08%	
Strategy 2017	1.03%	2.04%	0.74%	-0.23%	0.75%	-0.23%							4.10%	1.80
Eurostoxx 50	-1.84%	2.72%	5.32%	1.66%	-0.14%	-0.31%							7.41%	
Coleman Average Annual													11.81%	
Eurostoxx Average Annual													2.89%	

COLEMAN STRATEGY vs EUROSTOXX 50



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