

Petrarca Capital Management, LLC

Global Financials
Sector Fund



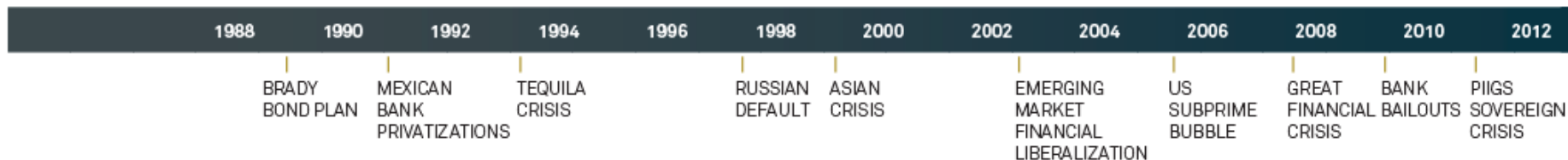
- Strategy**
 - Long/short equity strategy focused on the global financials sector
- Managing Partners**
 - Robert Lacoursière, former Partner and Head of Global Banks at Paulson & Co. and James Fotheringham, former Senior Vice President at Paulson & Co.
 - Managing Partners have four decades of aggregate experience analyzing financial securities up and down the capital structure, across countries and continents, over economic cycles and during financial crises
 - Managing partners were responsible for ~\$10bn in as many as 70 financials sector positions in each of their four years at Paulson & Co. (2008-2012)
- Investment Process**
 - Exhaustive, repeatable investment process integrating idea generation, portfolio construction, risk management and ongoing portfolio rebalancing
- Portfolio Characteristics**
 - Truly global: investing across European, Latin American, Asian, as well as North American financials securities
 - Predominantly common equity, but can opportunistically invest higher in the capital structure
 - Fairly concentrated (typically 20-30 shorts, 15-25 longs) and directional (generally 20-50% net exposure) but liquid (position size <3x daily volume) and limited leverage (<2x gross exposure)
 - Healthy mix of investment themes (macro, sector, single-name), return/volatility expectations (from “bunts” to “home runs”) and position durations (generally 3-9 months)
- Alignment of Interests**
 - Managing partners each have a significant portion of their net worth invested in the fund

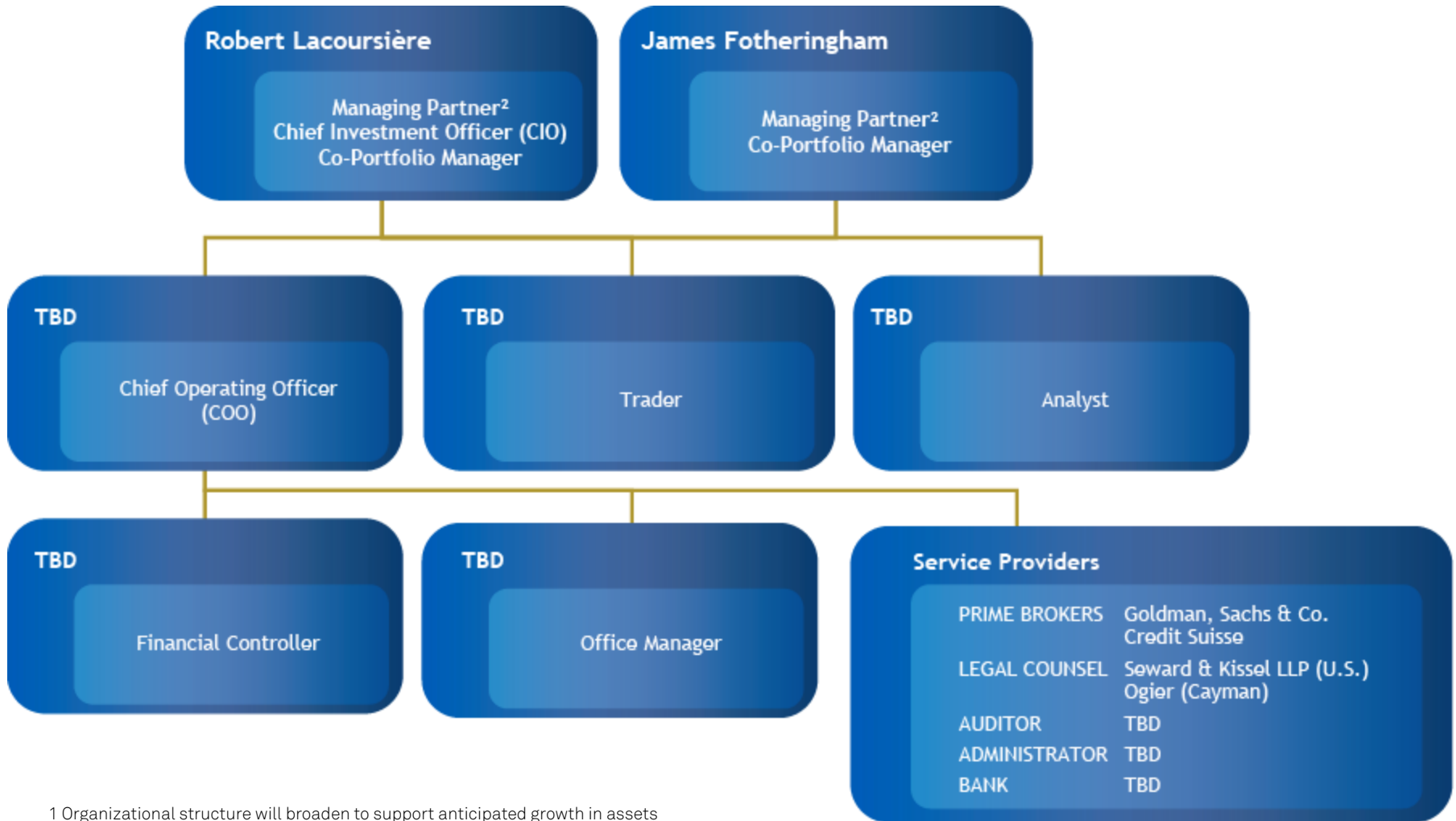
MANAGING PARTNER EXPERIENCE

Canada ■ Europe ■ Latin America ■ U.S. ■ Global ■

Robert Lacoursière Managing Partner, Chief Investment Officer & Co-Portfolio Manager <i>IESE, Spain (91-93)</i> <i>University of Western Ontario, Canada (81-85)</i>	BANK OF NOVA SCOTIA Manager	IESE MBA	BANK OF NOVA SCOTIA Manager, Latin America Investments	SANTANDER VP, Head of Latin American Bank Equity Research	BEAR STEARNS MD Principal, Head of Latin American Bank Equity Research	LEHMAN BROTHERS SVP, Director of Latin American Equity Research SVP, U.S. MidCap Bank Equity Research	CAPITAL ONE Head Financial Strategy	BANK OF AMERICA SECURITIES Principal, U.S. Mortgage, Consumer & Specialty Finance Equity Research	PAULSON & CO., INC. Partner, Head of Global Banks
	87-91	91-93	93-95	95-97	97-00	00-01	01-03	03-05	05-08
James Fotheringham Managing Partner, Co-Portfolio Manager <i>University of Oxford, UK (96-98)</i> <i>Queen's University, Canada (89-95)</i>				OXFORD D Phil	GOLDMAN SACHS Associate, European Equities VP, European Bank Equity Research VP, US Mortgage, Consumer & Specialty Finance Equity Research			PAULSON & CO., INC. SVP, Global Banks	
				96-98	99-05			05-08	08-12

FINANCIALS SECTOR GLOBAL EVENTS TIMELINE





¹ Organizational structure will broaden to support anticipated growth in assets under management

² Managing partners share portfolio responsibility; CIO has ultimate portfolio discretion



Robert Lacoursière
Managing Partner,
Chief Investment Officer
and Co-portfolio Manager

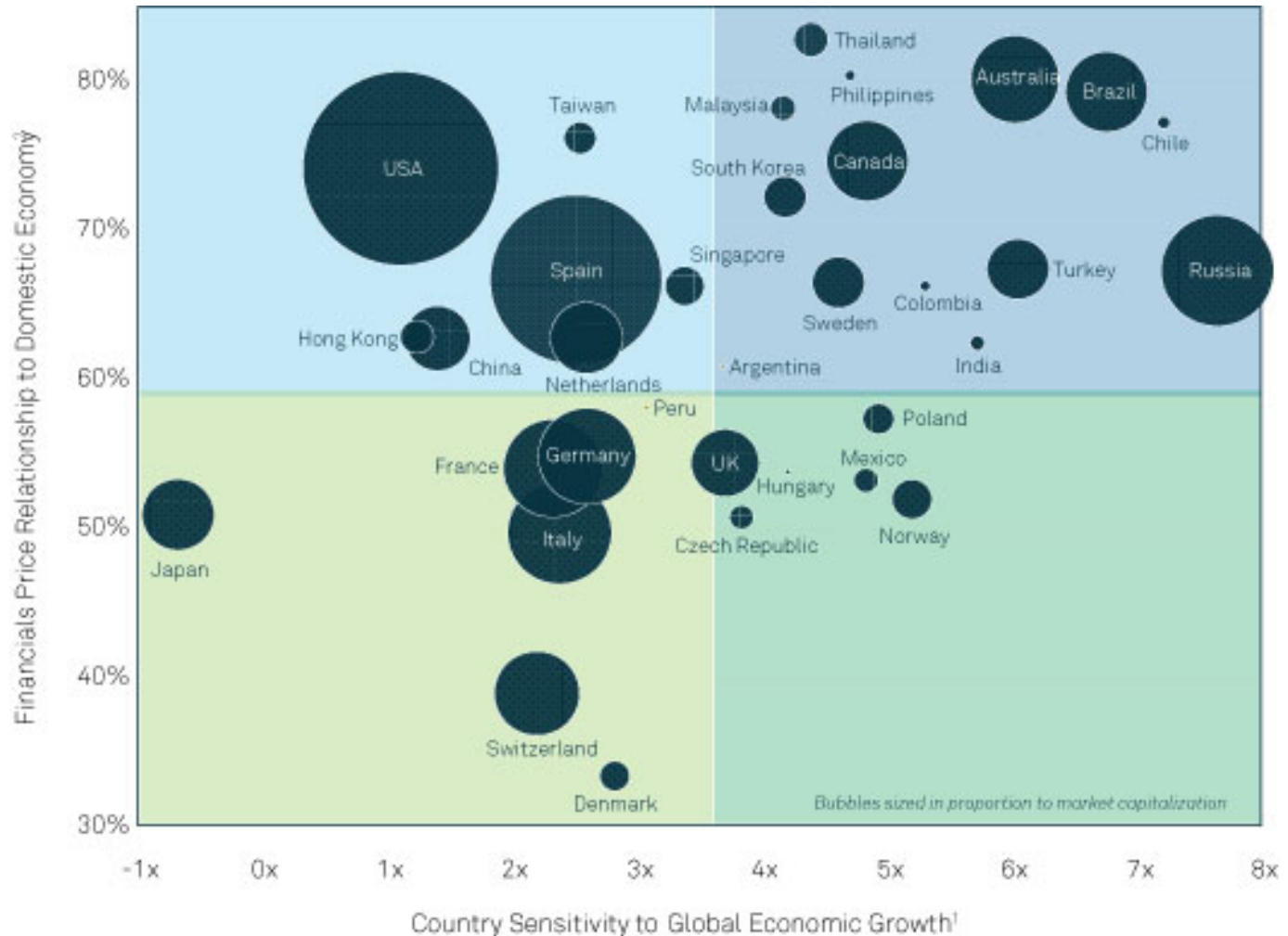
Robert Lacoursière is a Managing Partner, Chief Investment Officer and Co-Portfolio Manager of the firm. Prior to cofounding Petrarca, Robert was a partner at Paulson & Company where he was Head of the Global Banks Team. Robert has over 25 years experience in the global financials sector. Prior to joining Paulson in 2008, Robert covered US Mortgage and Specialty Finance as a widely-respected sell-side equity research analyst at Banc of America Securities. Prior to that Robert was Head of Financial Strategy at Capital One, and covered US mid-cap banks at Lehman Brothers where he had also been the Director of Latin American Equity Research. Robert headed the Latin American Financial Institutions Equity Research Group at Bear Stearns from New York as well as at Santander Securities from Mexico City. Before his time on the sell side, Robert worked at the Bank of Nova Scotia in Toronto as a Manager of Latin American Investments. Robert has an M.B.A. from I.E.S.E. in Spain and a B.A. from the University of Western Ontario in Canada. Robert has been married 21 years and has two daughters, aged 15 and 13.

James Fotheringham
Managing Partner and
Co-portfolio Manager

James Fotheringham is a Managing Partner and Co-Portfolio Manager of the firm. Prior to cofounding Petrarca, James was a Senior Vice President at Paulson & Company covering the global financials sector from 2008 to 2012. Prior to joining Paulson, James spent nine years at Goldman Sachs as a sell-side equity research analyst covering US Mortgage and Specialty Finance from New York and European banks from London. James has a D.Phil. from Oxford University in the United Kingdom, as well as M.Sc. and B.Sc.H. degrees from Queen's University in Canada. James has been married 13 years and has two children, aged nine and seven.

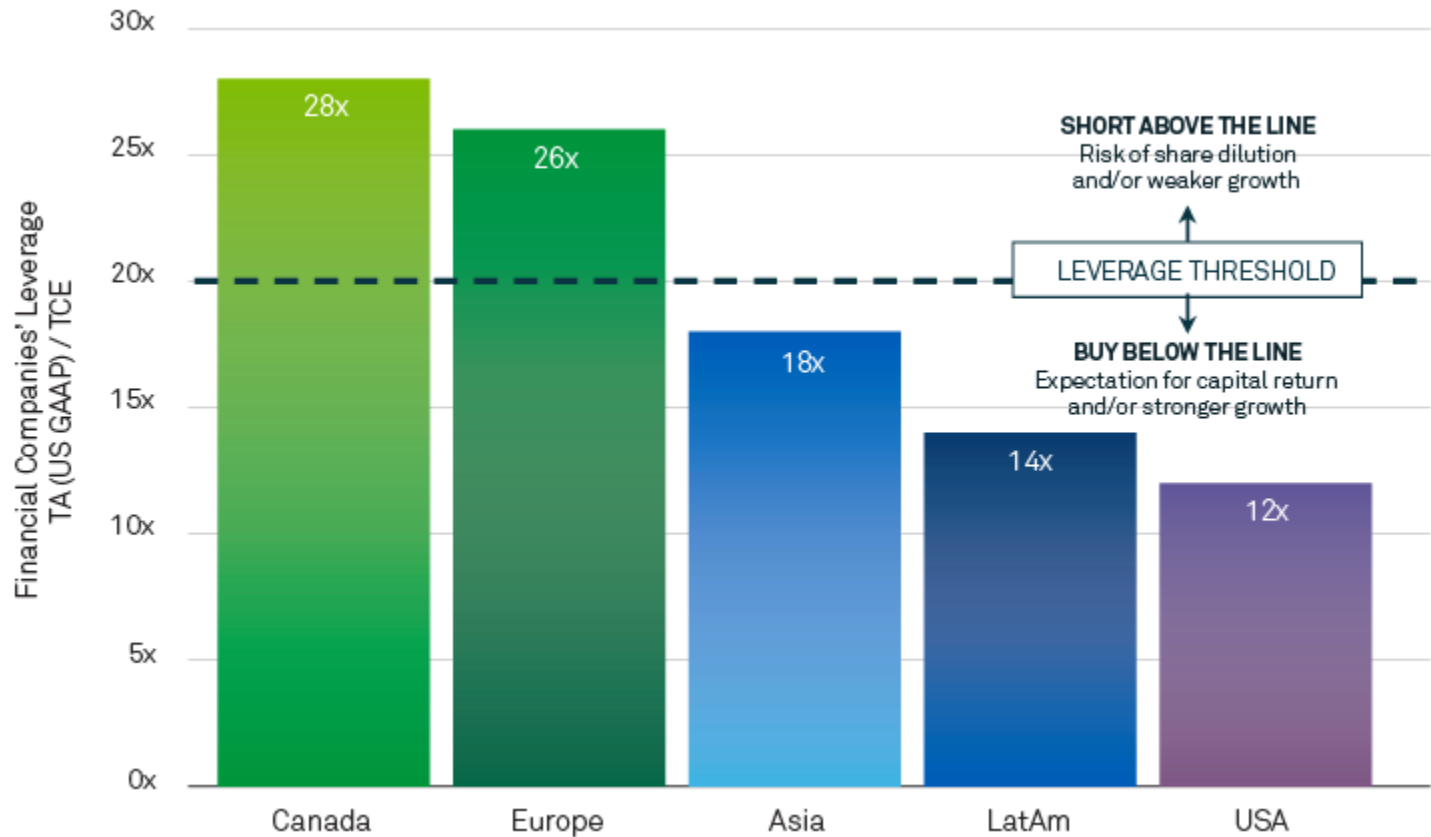
- Financials are a levered play on economic cycles
- We focus on countries levered to changes in global growth, and financials securities most sensitive to their domestic economies
- We time investments according to macro inflection signals and expected policy responses

HIGH OPPORTUNITY
MODERATE OPPORTUNITY
LOCAL MACRO CONVICTION
REQUIRED
MODERATE OPPORTUNITY
GLOBAL MACRO
CONVICTION REQUIRED
LOW OPPORTUNITY



1. Consequent change in each country's annual growth in nominal GDP in USD from a 100bps change in annual growth in nominal GDP in USD of the G7 countries plus China. 2. Relationship (R2) between quarterly share price performance of financials stocks versus annual growth in nominal domestic GDP. Source: Bloomberg.

- Capital adequacy is an important input into our sector analysis framework
- We gauge capital adequacy by gross tangible assets (US GAAP) to tangible common equity
- Relative leverage allows us to contextualize existing and potential regulatory forbearance
- Leverage differs among regions, as well as among companies within regions



1. Leverage calculated as tangible assets under US GAAP over tangible common equity; tangible assets are estimated wherever US GAAP equivalents are not disclosed.
Source: Company reports, Petrarca estimates.