

Smarter Allocations. Better Portfolios.

Finding the right hedge funds can be a challenge: there are many strategies and thousands of managers. How do you analyze them? How much do you allocate? The temptation is to make conservative allocations or only allocate to the biggest names. That won't get you where you want to go. You need to make bold allocations to managers specifically chosen to enhance your portfolio.

We partner with family offices, institutional allocators, and wealth managers who want more from their hedge funds. Understanding how your investments support your goals is where we start. From there, we work together to create your best hedge fund portfolio.

We provide everything you need to make **smarter** allocations and build **better** portfolios.

Which Equity Curve Do You Want?



Portfolio 1 is the classic 60:40 stocks and bonds portfolio. Portfolio 2 is 30% stocks, 20% bonds plus 50% managed futures programs! If you want the smoother ride offered by portfolio 2, you need a substantial allocation to the right hedge funds. We can help.

Our Philosophy

As an investor, you want the “best” return from your hedge fund portfolio. But what does “best” mean? Your goals for return, risk, and liquidity are unique to you. Your solution should be too.

Many hedge funds and advisors talk about “absolute”, “risk-adjusted”, or “uncorrelated” returns. We take a different approach based on the following three principles:

- ▶ You cannot predict returns, but you can control risk.
- ▶ Risk is NOT volatility, risk is sustained losses.
- ▶ You want investments that avoid simultaneous sustained losses.

We apply these principles to build a hedge fund solution that is unique to you.

Our Services

No matter where you are in the hedge fund investment process we bring expertise. Whether assessing a single manager, constructing a portfolio, or building a hedge fund platform, we have you covered.

10000



Universe

It's a big universe - make it manageable.

Sourcing Managers

There are around 10,000 hedge funds in the popular databases. Many programs and traders that are not in the databases.

It's a big universe – we make it manageable.

For each investor, we start with three questions:

- ▶ What are your objectives?
- ▶ How much capital will you deploy?
- ▶ What are your “hard” constraints?

We screen industry databases and tap our network for undiscovered gems. Our goal is to narrow the universe from thousands to hundreds, while retaining all the high-potential candidates.

Quantitative Analysis

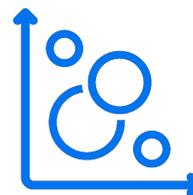
The primary task is to grasp the underlying principles of the trading system. Then we explore the deeper story hidden in the numbers.

Our proprietary suite of statistics:

- ▶ Mitigates selection bias.
- ▶ Projects realistic performance expectations.
- ▶ Identifies managers who deliver positive surprises.
- ▶ Seeks managers who reinforce positive returns and off-set negative returns.

We narrow the field of candidates down to our contenders, organized into groups, ranked, and ready to move on to the due diligence phase.

500



Candidates

Reveal the story hidden in the numbers.

25 - 50



Contenders

Protect against operational risk and fraud.

Operational Due Diligence

10 years after Madoff you still have to be on guard. To protect your capital from operational risk and fraud you need the best in operational due diligence:

- ▶ Verify back-office cash controls are iron-clad.
- ▶ Scrutinize trading system deployment, management, and monitoring for hidden risk.
- ▶ Cross-check all information for accuracy.
- ▶ Review service providers for suitability.

Only contenders who pass our rigorous operational due diligence review will be finalists for a portfolio.

Portfolio Construction

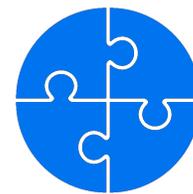
Standard portfolio construction methods optimize volatility (risk) versus returns. Volatility is not risk, and returns are unpredictable. A better approach is to build a portfolio around controlling drawdowns.

Our proprietary Empirical Space Portfolio Model:

- ▶ Targets a portfolio drawdown profile that is acceptable to you.
- ▶ Capitalizes on key performance characteristics of your selected managers.
- ▶ Respects the constraints of your investment policy.

We build portfolios that are optimized to your specific risk tolerance: we put you firmly in the driver's seat.

5 - 20



Finalists

Target higher returns with lower drawdowns.

Fund of Funds in a Box: Earn Fees and Share Costs



Building a multi-purpose hedge fund platform provides a great way to earn fee income and share the expense of your hedge fund investing activities. Not only that, it gives you access to hedge fund investing opportunities that are only possible with a larger pool of capital.

For select clients our FoF In a Box™ makes it quick and easy!



Ian Rayner

I founded Rayner Gobran LLC because I believe in the value of hedge fund strategies as diversifiers and risk-mitigators. My perspective on this complex asset class is informed by 15 years' experience in alternatives, from developing trading systems to managing hedge fund operations and research.

Prior to founding Rayner Gobran, I was Chief Operating Officer and Director of Research for The Bornhoft Group, an award-winning pioneer in multi-manager CTA funds. As COO I built and ran our managed account platform ensuring institutional quality operations throughout our firm. As Director of Research I developed statistical tools for delving deep into manager performance and building robust portfolios.

Our team placed billions of dollars with hedge funds. We allocated capital to the biggest names and the smallest niche managers. The Bornhoft Group won the 2012 InvestHedge Best 5 Year Managed Futures Fund and was nominated for the Pinnacle Awards 5-Year Best Multi-Advisor Futures Fund for 2013, 2014, and 2015.

Prior to TBG, I designed trading systems and developed a suite of tools for trading system evaluation. I built a statistical toolkit including cluster analysis, detection of change algorithms, and non-linear optimization techniques.

I currently serve as Chairman of the advisory boards of Cortana Capital and Taaffeite Capital Management.

When I am not buried in hedge fund analysis, you will find me hiking or skiing in the Rockies, or exploring the desert Southwest with my wife (the Gobran!).

- ▶ BA & MA, Chemical Engineering, Queens' College, Cambridge University
- ▶ MBA, The Wharton School, University of Pennsylvania, Palmer Scholar
- ▶ FINRA Series 3
- ▶ UK / US Citizen

Contact

Call us today discuss ways to build hedge funds and managed futures strategies into your portfolio.

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