

# Event Driven

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STOIC RULES-BASED STRATEGIES FUND

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## REGULATORY BACKGROUND

TYPHON CAPITAL MANAGEMENT, LLC IS REGISTERED WITH THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE "CFTC") AS A COMMODITY POOL OPERATOR ("CPO") AND IS EXEMPT FROM REGISTRATION WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") UNDER SECTION 203(B)(6) OF THE INVESTMENT ADVISERS ACT OF 1940, AS MODIFIED BY THE DODD-FRANK ACT, AND UNDER SECTION 3(C)(1) OF THE INVESTMENT COMPANY ACT OF 1940. THIS OFFERING IS EXEMPT FROM REGISTRATION WITH THE SEC BY REASON OF SECTION 4(A)(2) OF THE SECURITIES ACT OF 1933 AND RULE 506 PROMULGATED THEREUNDER.

PURSUANT TO AN EXEMPTION FROM THE CFTC IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE INVESTORS. A PPM FOR THESE POOLS IS NOT REQUIRED TO BE, AND HAS NOT BEEN FILED WITH THE CFTC. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF A PRIVATE PLACEMENT MEMORANDUM. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY PPM FOR THESE POOLS.

PURSUANT TO RULE 506(B) OF REGULATION D, THIS POOL IS OFFERED AS A PRIVATE OFFERING UNDER SECTION 4(A)(2) AND ITS INVESTORS ARE LIMITED TO CERTAIN QUALIFIED INVESTORS.

## RISK DISCLOSURE STATEMENT

THE RISK OF LOSS IN TRADING COMMODITIES CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IN CONSIDERING WHETHER TO TRADE OR TO AUTHORIZE SOMEONE ELSE TO TRADE FOR YOU, YOU SHOULD BE AWARE OF THE FOLLOWING:

IF YOU PURCHASE A COMMODITY OPTION YOU MAY SUSTAIN A TOTAL LOSS OF THE PREMIUM AND OF ALL TRANSACTION COSTS.

IF YOU PURCHASE OR SELL A COMMODITY FUTURE OR SELL A COMMODITY OPTION YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS AND ANY ADDITIONAL FUNDS THAT YOU DEPOSIT WITH YOUR BROKER TO ESTABLISH OR MAINTAIN YOUR POSITION. IF THE MARKET MOVES AGAINST YOUR POSITION, YOU MAY BE CALLED UPON BY YOUR BROKER TO DEPOSIT A SUBSTANTIAL AMOUNT OF ADDITIONAL MARGIN FUNDS, ON SHORT NOTICE, IN ORDER TO MAINTAIN YOUR POSITION. IF YOU DO NOT PROVIDE THE REQUIRED FUNDS WITHIN THE PRESCRIBED TIME, YOUR POSITION MAY BE LIQUIDATED AT A LOSS, AND YOU WILL BE LIABLE FOR ANY RESULTING DEFICIT IN YOUR ACCOUNT.

UNDER CERTAIN MARKET CONDITIONS, YOU MAY FIND IT DIFFICULT OR IMPOSSIBLE TO LIQUIDATE A POSITION. THIS CAN OCCUR, FOR EXAMPLE, WHEN THE MARKET MAKES A "LIMIT MOVE." THE PLACEMENT OF CONTINGENT ORDERS BY YOU OR BY YOUR TRADING ADVISOR SUCH AS A "STOP-LOSS" OR "STOP-LIMIT" ORDER, WILL NOT NECESSARILY LIMIT YOUR LOSSES TO THE INTENDED AMOUNTS, SINCE MARKET CONDITIONS MAY MAKE IT IMPOSSIBLE TO EXECUTE SUCH ORDERS.

A "SPREAD" POSITION MAY NOT BE LESS RISKY THAN A SIMPLE "LONG" OR "SHORT" POSITION.

THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.

IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THE RELEVANT OFFERING DOCUMENTS CONTAIN A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY TRADING ADVISOR MAY ENGAGE IN TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE YOUR TRANSACTIONS MAY BE EFFECTED. BEFORE YOU TRADE YOU SHOULD INQUIRE ABOUT ANY RULES RELEVANT TO YOUR PARTICULAR CONTEMPLATED TRANSACTIONS AND ASK THE FIRM WITH WHICH YOU INTEND TO TRADE FOR DETAILS ABOUT THE TYPES OF REDRESS AVAILABLE IN BOTH YOUR LOCAL AND OTHER RELEVANT JURISDICTIONS. THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY TRADING BEFORE YOU TRADE INCLUDING THE DESCRIPTION OF PRINCIPAL RISK FACTORS IN THE RELEVANT OFFERING DOCUMENTS.

THIS COMMODITY TRADING ADVISOR IS PROHIBITED BY LAW FROM ACCEPTING FUNDS IN THE TRADING ADVISOR'S NAME FROM A CLIENT FOR TRADING COMMODITY INTERESTS. YOU MUST PLACE ALL FUNDS FOR TRADING IN THIS TRADING PROGRAM DIRECTLY WITH A FUTURES COMMISSION MERCHANT.

# Stoic Rules-Based Strategies Fund

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## Strategy at a Glance

The Stoic Rules Based-Strategies Fund combines three components to produce a unique event-driven fund. Stoic is currently comprised of three sub-strategies: event-driven single name equity options, comparative single name stocks, and VIX-based derivatives. All components systematically produce directional biases that the portfolio manager then executes with discretion. No naked options are used.

AUM	\$1.3M
Minimum Investment	U.S. \$100k
Management Fee	0.25%
Incentive Allocation	40%
Liquidity	Quarterly

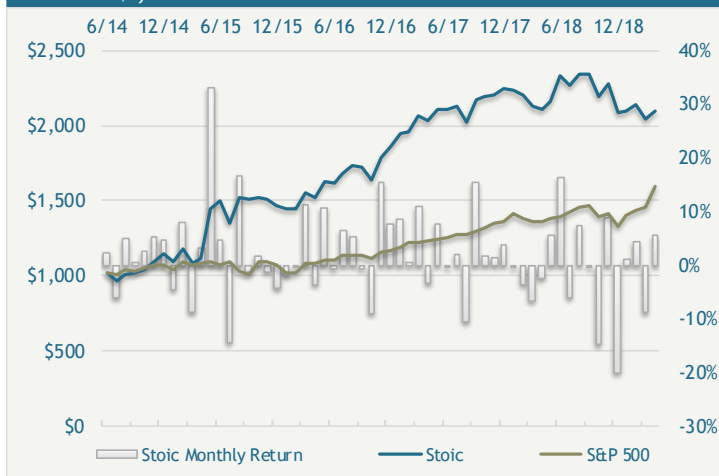


# Stoic Rules-Based Strategies Fund



Year	Monthly Net Performance												Year	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
2019	0.93%	4.33%	(8.86%)	5.54%										1.29%
2018	(0.42%)	(3.78%)	(6.62%)	(2.41%)	5.60%	16.47%	(6.03%)	7.48%	(0.17%)	(14.74%)	8.76%	(20.10%)	(19.77%)	
2017	8.55%	0.49%	11.02%	(3.31%)	7.66%	(0.15%)	1.84%	(10.48%)	15.53%	1.75%	1.33%	3.70%	41.75%	
2016	(2.01%)	(0.22%)	11.13%	(3.63%)	10.67%	(0.70%)	6.43%	5.13%	(0.79%)	(9.21%)	15.29%	7.64%	43.92%	
2015	(4.66%)	8.02%	(8.82%)	3.07%	33.22%	4.73%	(14.42%)	16.52%	(1.27%)	1.73%	(1.45%)	(4.23%)	27.65%	
2014						2.26%	(5.97%)	4.88%	0.42%	2.53%	5.30%	4.80%	14.58%	

## Growth of \$1,000



## Selected Statistics

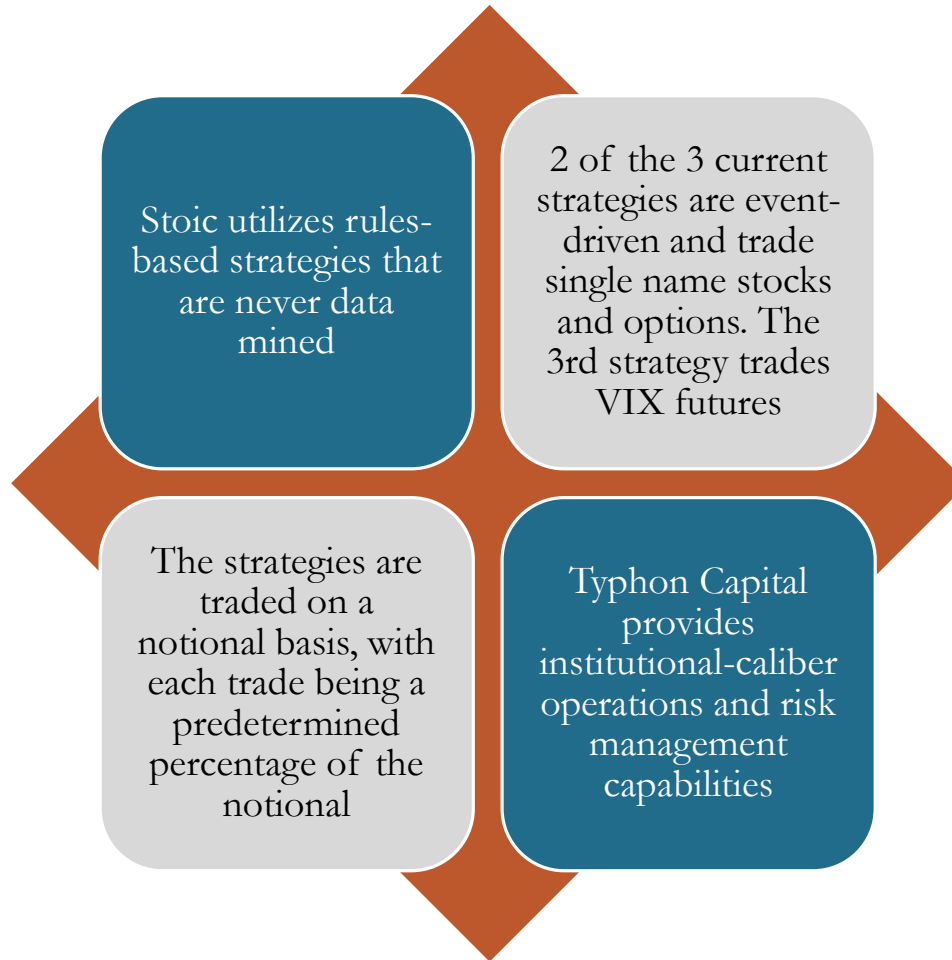
	Stoic	S&P <sup>1</sup>
Annualized Return	22.43%	9.95%
Max Drawdown	(29.02%)	(13.53%)
Largest Gain	33.22%	8.30%
Largest Loss	(20.10%)	(9.03%)
Sharpe Ratio	0.75	0.90
Sortino Ratio	0.31	0.39
Volatility ( $\sigma$ )	29.98%	11.32%
Correlation ( $\rho$ )		36.55%

Performance figures prior to January 2018 are a composite of live returns net of all expenses with fees pro forma to 0/40. All performance thereafter is that of the Stoic Rules-Based Strategies Fund and is calculated net of all expenses, management fees and incentive fees. For more information on the S&P 500 index, please see [standardandpoors.com](http://standardandpoors.com). Please see offering materials for more notes and risk factors.

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# Stoic Strategy

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# Stoic Methodology

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# Stoic Methodology

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Every strategy Stoic considers must make sense from a general trading perspective. Potential strategies are thought of and then back tested for validity, not data-mined. Stoic's methodology is not based on scanning price curves or other data sources for predictive patterns. Rules are followed to identify trade entry/exit, and trades are executed manually. This prevents the portfolio manager from second-guessing the strategy or becoming married to any trades.

Stoic concurrently trades three rules-based strategies at the present time. These strategies are traded on a notional basis, with each trade being a certain percentage of the notional value of the fund. Two of the three current strategies are event-driven and trade single name stocks and options. These two strategies are typically less than 50% invested on a notional basis, so the fund typically will have a large cash balance. Hold times are typically one week for the option strategy and typically 1.5 months for the stock strategy. The option strategy is long only options and the stock strategy is long only stock, so there is no open-ended risk.

The third strategy trades VIX futures. This is a directional strategy driven by the shape of the curve, that can be long, short, or not invested. This allows the strategy to profit in low vol periods as well as potentially profit in market downturns when VIX spikes.

Strategies may be added in the future. Each strategy must be profitable on its own, and provide a differentiated return stream to the other strategies.





# Typhon Risk Management

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**Independence** The Risk Committee is independent from each of our trading groups. We protect our investors by ensuring that our managers are operating within their set guidelines.

**Empowered** The Risk Committee has the authority to reduce exposure in the event a manager has breached its risk limits. It is important to draw a distinction between risk management and risk monitoring.

**Proprietary Tools** Typhon has developed a suite of proprietary tools that are customized for each strategy.

**Pre-established Risk Limits** The Risk Committee establishes risk guidelines for each manager before it starts trading on our platform.

**Regular Review of all Strategies** All strategies are reviewed on a regular basis, not just when there are issues.

**Value-Additive Feedback** The Risk Committee is constantly monitoring trading positions and proactively collaborates with our managers to help them optimize trade construction around their investment theses.

**Risk Reporting** Risk analytics and daily PNLs are available to investors as part of our commitment to transparency.



# Typhon Risk Management

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**Per Manager Constraints** Each manager is limited to specific markets, exchanges, and instruments with product and maximum overall exposure limits.

**Per Trade Risk Parameterization** Each manager maintains profit objectives, reduction targets, and stop-losses for every trade.

**Concentration Risk** Strategists generally trade a small number of markets, providing a naturally balanced portfolio. Typhon's risk team may actively hedge the overall portfolio in cases where a concentration arises.

**Liquidity Risk** Percent limits linked to open interest and daily volume

A preemptive approach to limiting drawdowns by:

- Convening the risk committee if a manager hits 25% of their risk budget to evaluate the position
- Cutting a manager's risk by 50% once half of a manager's max monthly loss is reached
- Closing a manager's book for the month if the monthly risk budget is reached and subsequently restarting the manager the next month at half risk
- Typhon's independent risk committee performing real-time risk monitoring
- Typhon's risk committee can hedge positions across the overall portfolio



# Typhon Distinction

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## Manager Coverage

Typhon is plugged in to the universe of emerging traders and identifies distinctive specialists with defined edges.



## Due Diligence

Typhon has a rigorous due diligence process to cull the universe of emerging managers before bringing them into Typhon.



## Investor Relations

Typhon has well-established relationships with investors allocating to emerging and tactical traders.



## Operational Support

Typhon provides its managers with legal, compliance, accounting, and administrative support. This tempers some of the largest issues associated with emerging traders.



## Risk Oversight

Typhon has an independent, empowered risk management committee that monitors our strategies on an intraday basis.



## No Layered Fee

Typhon works with its managers, not in addition to its managers. Our investors do not incur any additional fees for allocating to Typhon managers.



# Investor Protection

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## Typhon protects clients by:

- Advocating for customer protections. Our CEO co-founded the [Commodity Customer Coalition](#) and represented approximately 10,000 MF Global customers to help bring about a 100% recovery for them, completely *pro bono*. He also served on the Board of Directors and Executive Committee of the National Futures Association
- Playing an active role in ensuring that market participants are properly represented
- Ensuring those same ethical standards are upheld by our managers and staff



# Typhon Advantage

## A Modular Approach to Allocations

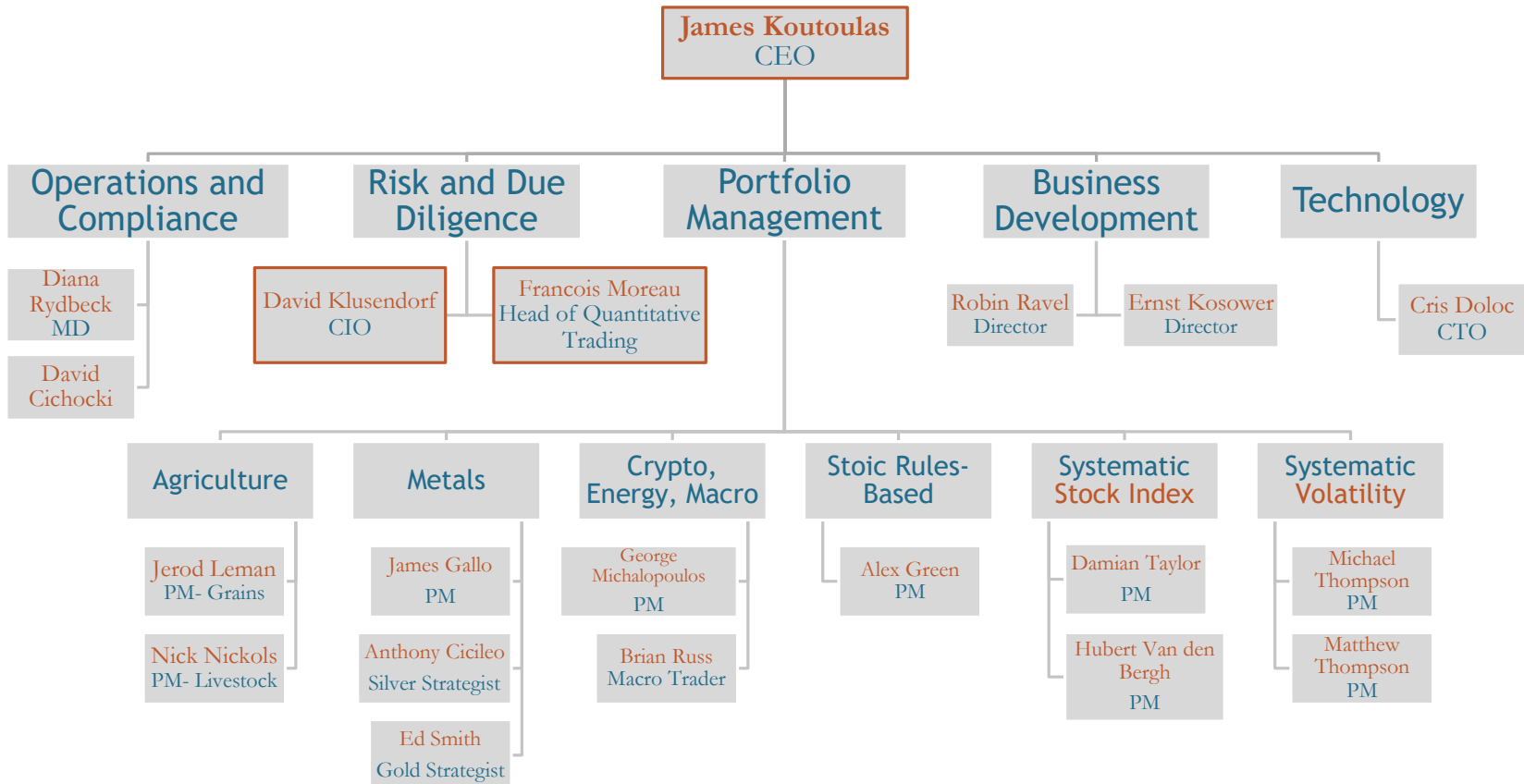
Typhon was created to provide sophisticated allocators the ability to create custom portfolios from uncorrelated, niche market strategies operated on an integrated investment platform with institutional systems, oversight, and risk management. Our strategies are specialized, modular, and structure agnostic. Each is available à la carte in separately managed accounts or in U.S. or Cayman funds within our Argos Alternative Funds Platform. Clients can build their own custom portfolios or have us construct one that provides acceptable risk based on the demands of the overall portfolio.

Typhon never charges layered fees, even for multi-manager products.



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# Typhon Organization



Indicates Risk Committee Member

# Alexander Green

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## Portfolio Manager: **Stoic** Rules-Based



In November of 2017, CALCULATED TRADING LLC joined Typhon to head the Stoic Rules-Based Strategies Group. Alexander Green is the Managing Member and Chief Investment Officer of CALCULATED TRADING LLC, which he founded in March 2014.

Prior to starting CALCULATED TRADING LLC, Mr. Green was a Managing Director at Crestline Investors, Inc. where he worked from 2004 to 2014. While at Crestline, Mr. Green was the Strategy Head for Structured Credit, Mortgage Arbitrage, Interest Rate Arbitrage, Volatility Arbitrage, Managed Futures, Municipal Bond Arbitrage, Macro, Convertible Bond Arbitrage, and Currency strategies. He managed 20-25% of Crestline's Diversified Fund of Hedge Funds (\$3+ billion AUM) and sourced several opportunistic trades for the fund and clients.

From 2001 to 2004 Mr. Green was a Portfolio Manager at Freddie Mac working on the mortgage portfolio. Mr. Green's focus was non-agency mortgage securities (CMBS, Subprime, Alt-A, HELOC, FHA/VA, etc.) where he developed and tracked prepayment and loss models as well as reverse engineered all RMBS deals. Before moving onto the mortgage portfolio, Mr. Green ran the internal risk management for Freddie Mac's \$3 billion external money manager program from 2000 to 2001.

Previous to Freddie Mac, Mr. Green was a Proprietary Equity Trader from 1999 to 2000 and worked for Atlantic Portfolio Analytics & Management (APAM), a mortgage hedge fund, from 1998 to 1999. At APAM, Mr. Green traded interest rate derivatives, agency debentures, currencies, and US Treasuries.

Mr. Green graduated from The University of Florida in 1995 with a B.S.B.A. with Honors in Finance where he was a member of the Men's Track and Field Team, made the SEC Academic Honor Roll in 1994, and was an SEC Scholar Athlete award winner in 1994.

Mr. Green graduated from Boston College in 1997 with a MS in Finance.



# James Koutoulas

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## Chief Executive Officer



Typhon's CEO, James L. Koutoulas, Esq., founded Typhon 2008 in order to provide investors with the ability to access emerging managers who are surrounded by institutional infrastructure. He sits on Typhon's Risk and Investment Committees. James has 20 years experience in accounting, computer programming, operations, and trading. He graduated from the University of Florida with a B.S. in Finance as a National Merit Scholar and has a J.D. from the Northwestern University Pritzker School of Law with a concentration in Securities Law. Northwestern Law named James its top Emerging Leader in 2016.

James is one of the leaders of the futures industry. He is the President and co-founder of the Commodity Customer Coalition and led the recovery of \$6.7B for customers affected by the MF Global Bankruptcy. He served on the Board of Directors of the National Futures Association for three years. James has a Series 3 and Series 65. He is an Advisor to Basis and was named one of "Wall Street's Top Crypto Rockstars" by Business Insider.

### National Media Profiles

Business Insider- [Meet James Koutoulas, The Man Who Never Wanted To Be A Lawyer But Now Fights For 8,000 MF Global Customers](#)

Chicago Tribune- [Hedge-fund Manager an Impassioned Advocate for Commodities Customers](#)

Forbes- [The Hero of MF Global's High-Noon James Koutoulas Wins Big for Little Guys](#)

Fortune- [The Boy Wonder of the MF Global Nightmare](#)

Motley Fool- [You Want Real Change in the Financial Industry? I suggest you keep an eye on James Koutoulas](#)

Thomson Reuters- [Brash Commodities Trader Shakes up MF Global case](#)





# David Klusendorf

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## Chief Investment Officer



David Klusendorf is the Chief Investment Officer and a Principal of Typhon Capital Management, which he joined in March 2015. David began his career at Timber Hill, LLC, a propriety option market-making firm based in New York, N.Y., and was responsible for hedging the firm's option book and daily operations. While at Timber Hill, he became a member at the Chicago Mercantile Exchange, Chicago Board of Trade, and the Chicago Board Options Exchange. He has been involved with numerous committees at the CME including Membership, Arbitration, and Business Conduct.

After leaving Timber Hill in 1992, David founded Klusendorf Trading as its President. Klusendorf Trading was a Chicago-based propriety trading company specializing in interest rate products with a focus on Eurodollar futures. At the firm, David was responsible for all business operations, risk management, and trading.

David graduated from Loyola University Chicago, where he earned a B.A. in finance and an MBA from the Graduate School of Business. He holds a Series 3 and 30.

David is involved with many charitable causes, including Lurie Children's Memorial Hospital.



# François Moreau

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## Head of Quantitative Trading



François Moreau joined Typhon Capital in January 2019, as Head of Quantitative Trading. His mandate is to scale the business in Europe, by on-boarding European-based portfolio managers, and by developing the firm's European investor base.

François was most recently Head of Strategy at Man Group, the world's largest publicly traded hedge fund with +\$100bn assets under management. He was covering the various asset management units of the firm: AHL, GLG, Numeric, and MSL. François has held various senior positions at Man between 2013 and 2018, in particular within AHL, the \$30bn quantitative hedge fund. From end 2015 to summer 2017, François launched and ran Man AHL Oxon, a multi-manager platform focused on mid-term systematic trading. Between the summer of 2013 and the end of 2015, François was Head of Business Strategy for AHL.

From 2011 to 2013, François worked for the Quantitative Investment Strategies team of Barclays in London, following a year within the Strategy team of the Investment Banking division. Between 2005 and 2010, François was a strategy consultant with McKinsey, covering large financial institutions.

François graduated from ESSEC business school in 2005.



# Cris Doloc

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## Chief Technology Officer



Cris Doloc is a computational scientist & an accomplished technology leader with more than 25 years of experience in enterprise software architecture, machine learning, and high performance computing.

Holding a PhD in computational physics, Cris brings a wealth of scientific and technology expertise by working in both academia and the industry. He has spent the last 20 years in the field of computational finance where he has architected enterprise systems and developed pattern detection machine learning algorithms for several top-tier financial firms.

Cris has been the Chief Technology Officer of Terra-Nova Financial, a self-clearing broker-dealer in US equity and options, and the Founder and Principal of Quantras Research Ltd., a boutique research and development firm specialized in providing expertise in the area of computational finance, financial engineering, and quantitative trading.

In addition to his role at Typhon, Cris is also teaching as an adjunct professor at the University of Chicago in the Program of Financial Mathematics. He is also the founder of three tech startups.



# Contact Information

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Typhon Capital Management, LLC is registered as a Commodity Trading Advisor and Commodity Pool Operator with the National Futures Association, with a 4.7 exemption for serving Qualified Eligible Participants only. Typhon Global Fund Management, LLC provides services only to non-US investors and tax exempt US institutional investors. Typhon Securities, LLC is currently exempt from registering with the Securities and Exchange Commission.

