



Fund Specification

Name:	Global Evolution Emerging Markets FX Managed Account
Domicile:	Flexible
Legal Structure:	Managed Account
-	The legal frame work of managed accounts is designed to provide full transparency of all positions and risk associated with the underlying portfolio.
-	100% independent administrator
-	Daily reconciliation of trades, positions, cash, and valuations
-	Daily NAV which also enable a quick final month end NAV
Minimum Investment:	EUR 1.000.000
Management Fee:	1% p.a.
Performance Fee:	20%
Portfolio Manager:	Global Evolution
FX Prime Broker:	Flexible
Reporting:	Monthly
Contact:	em@globalevolution.com

Main Investment Guidelines

Geographic Focus:	Global
Leverage:	Expected 2 to 3 times
Usage of margin:	Up to 80%
Single currency pairs:	Max. 10%
Market Bias:	No target
Style:	Active, Discretionary
Risk Management tools:	FX Spot FX Forwards FX Options Non-Deliverable Forwards (NDF) Non-Deliverable Options (NDO)

Market Description

Foreign Exchange as an Asset Class

The acknowledgement that FX is an individual asset class with its own market drivers resulting in risk exposures with low correlation to other asset classes means that FX has become an integral part of many institutional investors overall portfolios and also represent the core of the FX Strategy of Global Evolution. To increase the probability of positive return without any significant increase in risk, active FX trading is widely used to improve the overall performance of an investment portfolio.

Transparency & Liquidity

Global Evolution offers FX Managed Accounts to investors who wish to allocate capital to FX as an asset class but who does not have the expertise necessary to trade emerging markets FX on their own. Global Evolution will manage the FX risk based on a predefined investment strategy and objective. Unlike mutual and hedge funds, an FX Managed Account operates individually in the name of the investor and all or part of the funds can be redeemed or hedged within a short period of time providing exceptional liquidity and risk management. The Managed Account holds the investor positions and allows him to follow profit/loss development for each of the currencies in the account thereby providing full transparency to the investor.

Investment Objective

The investment objective of the FX Managed Account is to create absolute return by utilizing a diversified selection of strategies in currency markets. Our area of expertise is emerging markets, and therefore most of the target return will be achieved within emerging market FX, however due to the importance of G10 FX in both our macro assessment of emerging markets as well as in terms of managing risk, the fund will use the full spectrum of currencies.

Investment Style

Driven by a macro, top-down approach, our FX Managed Account aims to take advantage of opportunities created by market inefficiencies in currency markets. These strategies embrace our macro views through outright long/short and relative value ideas within regions, countries and instruments. This enables the managed account to achieve a high diversification which can result in high absolute returns with low correlation to other investment alternatives.

To achieve the investment objective Global Evolution will use a range of FX spot and forwards, options, NDFs, NDOs etc.

Target Return:	15-20% p.a. (net of fees)
Target Volatility:	6-8%

Main Risk Factors

Some of the main risk factors that may have a negative influence on performance and could lead to Global Evolution not reaching target returns are market developments, country crisis, global financial crisis, liquidity crisis etc. Please refer to the section below on Risk Factors and the disclaimer to marketing material. Target return is based on the assumption of a base return of 6.5% with an implied leverage of 2-3 times.

Investment Approach

We apply a top-down approach characterised by a focus on macro and political risk, active country assessment, strategy and instrument selection.

Investment opportunities are identified and analysed through a combination of extensive research and continuous monitoring of the entire relevant investment universe. Each portfolio manager furthermore cultivates an extensive network of local contacts, including political analysts, government institutions and central banks. Importantly, this is complimented by regular region and country visits.

Our extensive experience within emerging markets FX enable us to predict FX directionality as well as regime shifts for emerging markets currencies. Once direction is determined we meet our return targets in three main ways:

Outright Long/Short:

Long or Short positions in individual emerging market currencies vs. USD both strategic (3-6 month horizon) and tactical (<1month).

Relative Value:

The focus is to go long/short emerging markets currency pairs on a beta-adjusted basis in order to neutralize any correlation to risk aversion/appetite.

Options

FX Options offer a high degree of liquidity and diversity through which we can implement our directional views in more efficient ways and at the same time enhance our ability to manage risk.

Risk Management

Risk management is a key component of our investment process and risk is carefully monitored. We utilize the latest technology with a strong focus on in-house build models for advanced portfolio and risk management.



Biographies – Principals of FX Managed Accounts

Backed by an additional 3 dedicated portfolio managers across emerging markets investment products and interacting daily with our two quantitative analysts, the primary principals for emerging markets FX Managed Account are:

Morten Bugge, (CIO) – 12 years experience

Prior to co-founding Global Evolution Morten worked as a Managing Director at Sydbank responsible for all emerging markets funds with a combined AuM of more than \$6bn. His emerging markets debt funds ranked N° 1 in Scandinavia for five years in a row and many of his funds have earned several awards from both Morningstar and Lipper. Prior to this Morten held a role as proprietary emerging market fixed income and FX trader for 5 years at Jyske Bank. With a special expertise in Frontier Markets he holds the position as CIO at Global Evolution. Morten is a regular speaker at different emerging market conferences around the world and holds exclusive advisory roles, including JPMorgan's Local Markets Index Advisory Committee and EMTA's Africa Group.

Daniel Moreno (Chief Portfolio Manager) – 12 years experience

Prior to joining Global Evolution Daniel was a Senior Portfolio Manager at Union Investment (DZ Bank Group) in Frankfurt from 2005-2007 responsible for Emerging Market Local Currency Debt Products. His fund ranked N° 1 in Germany and Top 5 in Europe among all emerging market debt funds in 2007. Prior to that Daniel spent 5 years as a Portfolio Manager at DWS Investment (Deutsche Bank Group) responsible for various emerging Europe funds and was member of the Global FX team involved in FX Overlay products as well as an FX Hedge Fund. He holds a European Master's in Management from the EAP (Paris-Oxford-Berlin) and a B.A. in Business Administration from ESIC-University in Madrid.

Michael Hansen (Senior Strategist) – 25 years experience

Senior Strategist responsible for formulating the overall trading and hedging strategies at Global Evolution, as well as being in charge of the ongoing emerging market commentary and strategy research. Prior to joining Global Evolution, Michael worked as a strategist for Sydbank Emerging Markets & Structured Credit. Michael joined Sydbank in 1994. In his role he has developed an extensive expertise in monitoring emerging market economic, financial and political developments. Michael started his career in the financial market in 1984.

Lars P. Nielsen (Senior Portfolio Manager) – 10 years experience

Senior Portfolio Manager responsible for formulating the local currency strategies for the mutual funds at Global Evolution. Prior to joining Global Evolution Lars held a similar position in Sydbank Emerging Markets & Structured Credit where he was part of the successful investment management team responsible for emerging markets fixed income and FX mutual funds. Lars joined Sydbank in 2004, prior to which he spent four years trading and advising institutional investors on emerging markets fixed income at Jyske Bank. Lars is a senior member of Global Evolution's investment management group. He holds a BA in Finance and Business Economics.

Global Evolution – Background

Global Evolution is a dedicated emerging markets asset manager that provides investors with professional emerging markets solutions and portfolio management.

The management and employees of Global Evolution have an established track record within emerging markets asset management and aim to take advantage of this when fulfilling our ambition of becoming a recognised manager within the top tier of the industry.

We truly define emerging markets as exactly that and constantly search for emerging economies and invest where we identify opportunities of high risk adjusted return. We believe that an emerging markets investment is more than a beta asset class allocation and invest on an exceptionally diversified basis in order to achieve high absolute returns with a minimal correlation to other asset classes.

The investment management group is supported by fully integrated IT, quantitative solutions, operations, risk management and investor relations teams. Global Evolution believe that an integrated, comprehensive platform is imperative in servicing investors optimally, and utilize the latest technology in every aspect of our business.

The long-term commitment to emerging markets from our employees and their historical results and experience have earned several awards, ongoing invitations as speakers at emerging markets conferences around the world and exclusive advisory roles at different emerging market groups, including:

- Member of JPMorgan EMBI Index Advisory Committee
- Member of JPMorgan Local Markets Index Advisory Committee (GBI-EM)
- Member of EMTA Africa Group

With head office in Denmark and representation in London, Luxembourg and the Middle East, Global Evolution employs 11 people.

Risk Factors

Potential investors should note that the development of the value of the FX Managed Account may be positive as well as negative depending on, among other, market developments. The FX Managed Account will aim to have a specific, but diversified credit risk, and it should be expected to have a higher risk level than portfolios with gilt-edged government and corporate bonds and certain equity portfolios. The FX Managed Account will aim to invest in high-yielding assets. The risk relating to each investment may be above the normal level for currency investments. The potential of each investment will often depend on developments in the relevant region, country or specific currency. Consequently, crises or insolvencies may occur leading to losses in the portfolio. The FX Managed Account will aim to reduce the specific risk relating to each investment by diversifying its portfolio as well as performing through credit assessment of the countries and currencies. The liquidity of many investments is considered low, for which reason a swift voluntary liquidation may be difficult to implement without adversely affecting the portfolio value. The FX Managed Account will aim to maintain its risk profile by investing in a well-diversified portfolio of currencies. The portfolio manager monitors the investments made under the investment guidelines on an ongoing basis.

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