

# iMGP DBi Hedge Strategy ETF DBEH



Managed by DBi

December 2023



Performance is  
born out of people



[imgpfunds.com](https://imgpfunds.com)

For professional investors only

# Who We Are

## A worldwide network of dynamic investment boutique Partners

Since 2013, our mission has been radically simple: to find the best investment talent in the world. Based on our core belief that Performance is born out of People, our highly experienced research team uses their in-depth process to scour the world for dynamic, ambitious and entrepreneurial asset managers.

Through this process we uncover small to mid-sized, independently owned boutiques run by skilled individuals with a long-term track record and a mindset that fits with our own.

iM Global Partner takes a minority, non-controlling stake in their business and we build a long-term partnership with them based on mutual respect and fully aligned interests. We are proud to call these businesses our Partners and they are the essence of what iM Global Partner stands for: What we believe to be the best, the very best investment talent.

# 11

GLOBAL LOCATIONS

# 2013

FOUNDED IN

# ~39

BN USD AUM\*

## About the firm

- Dynamic Beta investments was co-founded and is led by Andrew Beer and Mathias Mamou-Mani. It is a global leader in the efficient replication of pre-fee hedge fund returns.
- In 2018, it was identified by iM Global Partner as a competitor to traditional hedge funds but with low fees and daily liquidity in regulated vehicles. iMGP is a strategic investor in DBi.
- DBi currently manages two US ETFs, four UCITS funds and other vehicles.
- DBi's research on hedge funds, managed futures and liquid alternatives is widely followed.

# 2007

FIRST  
STRATEGY

# \$2 BN

AUM IN LIQUID  
ALTERNATIVE  
ASSETS

# 10+

YEAR LIVE  
TRACK RECORD

## Replication strategies

Three hedge fund strategies can be replicated efficiently:

Hedge Funds Overall  
(2007)

Equity Hedge  
(2012)

Managed Futures  
(2015)

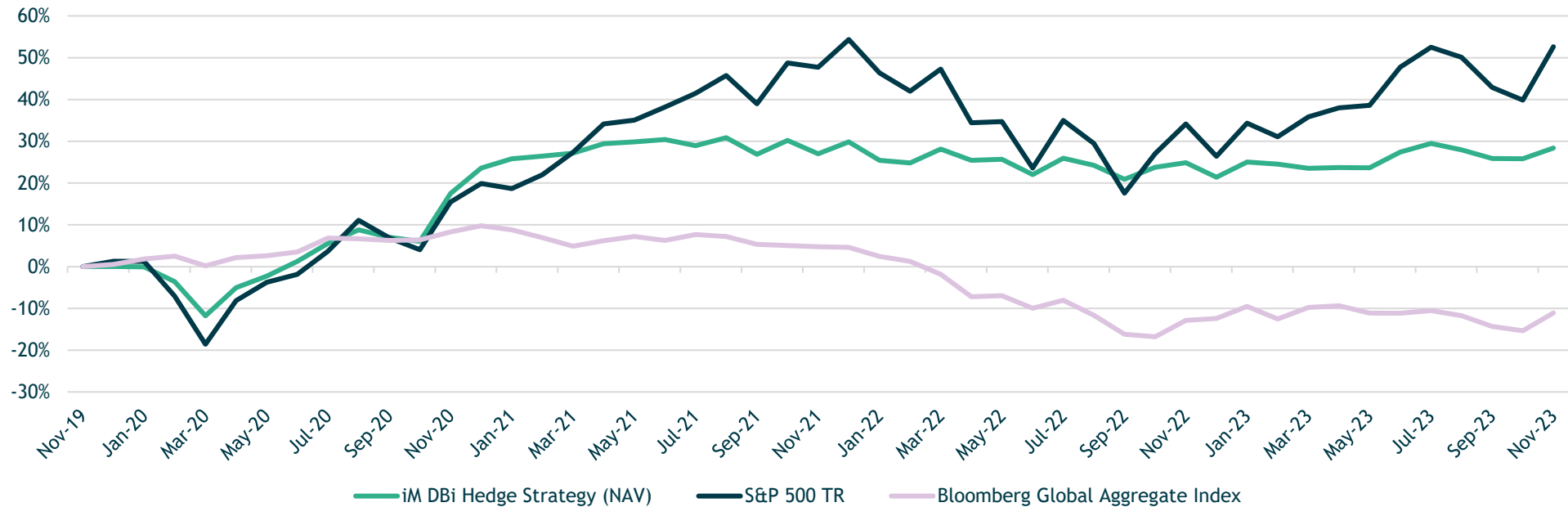
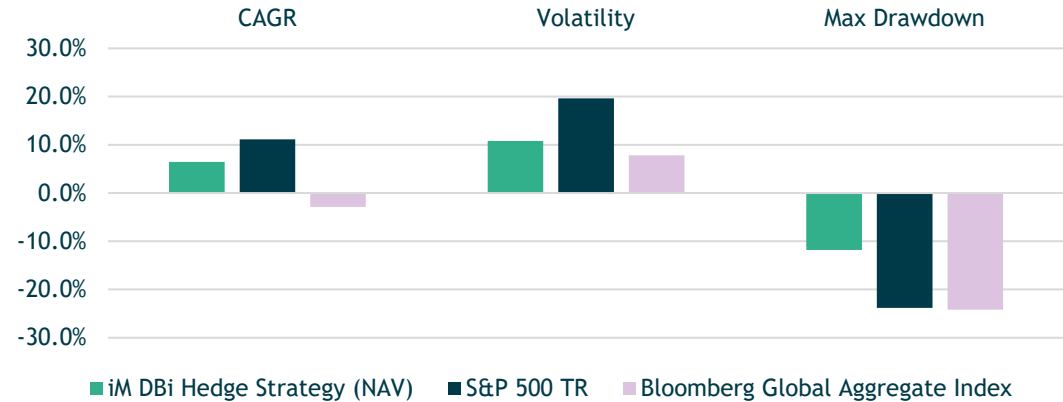
## DBi's approach

- Combines strategies to meet risk-reward criteria
- Seeks to replicate 80-100% of pre-fee returns
- Attempts to diversify single-manager risk by targeting broad pools of funds
- Aims to outperform through fee and expense savings
- Invests in portfolios of vanilla futures contracts for liquidity, efficiency and clarity
- Avoids illiquid assets, single stock positions, counterparty risk, etc. in daily liquid 40Act, UCITS and similar vehicles
- Knows what not to replicate: single funds, distressed, market neutral, etc.

# iMGP DBi Hedge Strategy ETF

- Equity Long/Short ETF: Replicates 40 Large Hedge Funds
- Launch December 17, 2019
- Goal: 75% of S&P upside with half the risk
- \$33 million AUMs
- 0.85% expense ratio

## Key Stats



Source: Bloomberg. DBi. As of 31st December 2023. Data refers to cumulative past performance. Cumulative past performance is not a reliable indicator of future results. The Fund referred to within this presentation is not managed against the indices shown in this slide or elsewhere in this presentation or against any other benchmark. This is an active ETF which is not managed in relation to any benchmark. This data is being shown for illustrative purposes only. The index is not representative of the entire population of Commodity Trading Advisors (CTAs) or hedge funds. The index's performance may not be indicative of any individual CTAs or hedge funds.

# Why Own Equity Long Short?



## UPSIDE PARTICIPATION

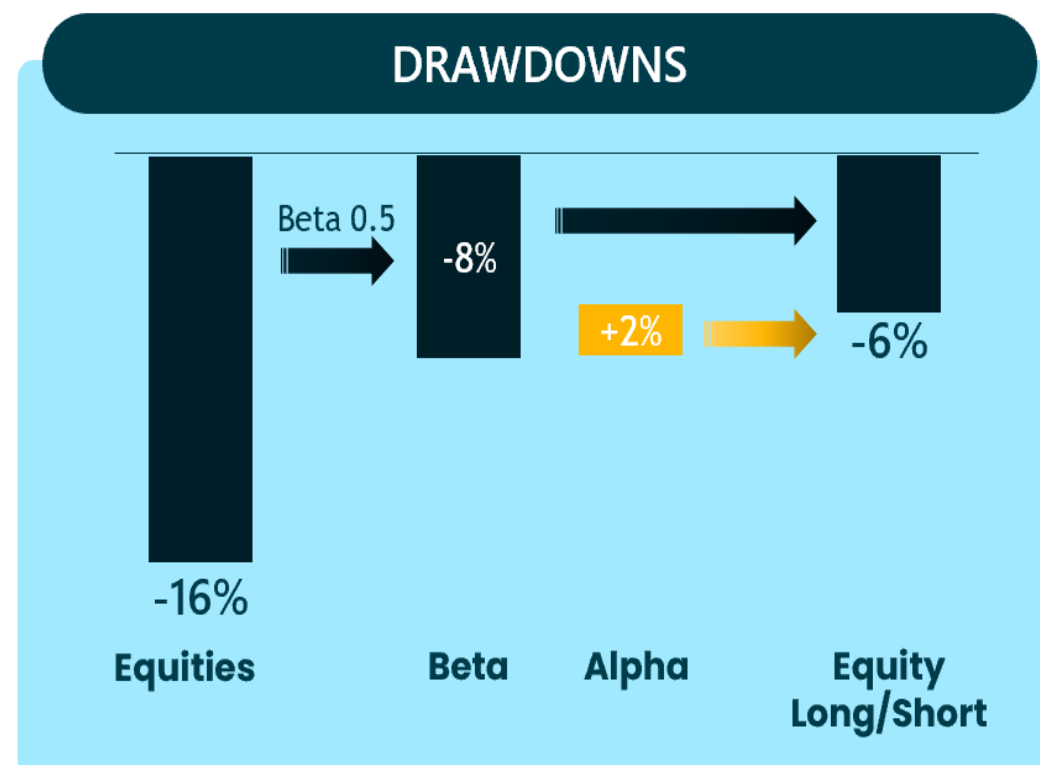
75% (or more) of equity market gains over time

## DRAWDOWN PROTECTION

50% (or less) downside capture

## OUTPERFORMANCE VS MARKET

Alpha of 2% per annum, net fees

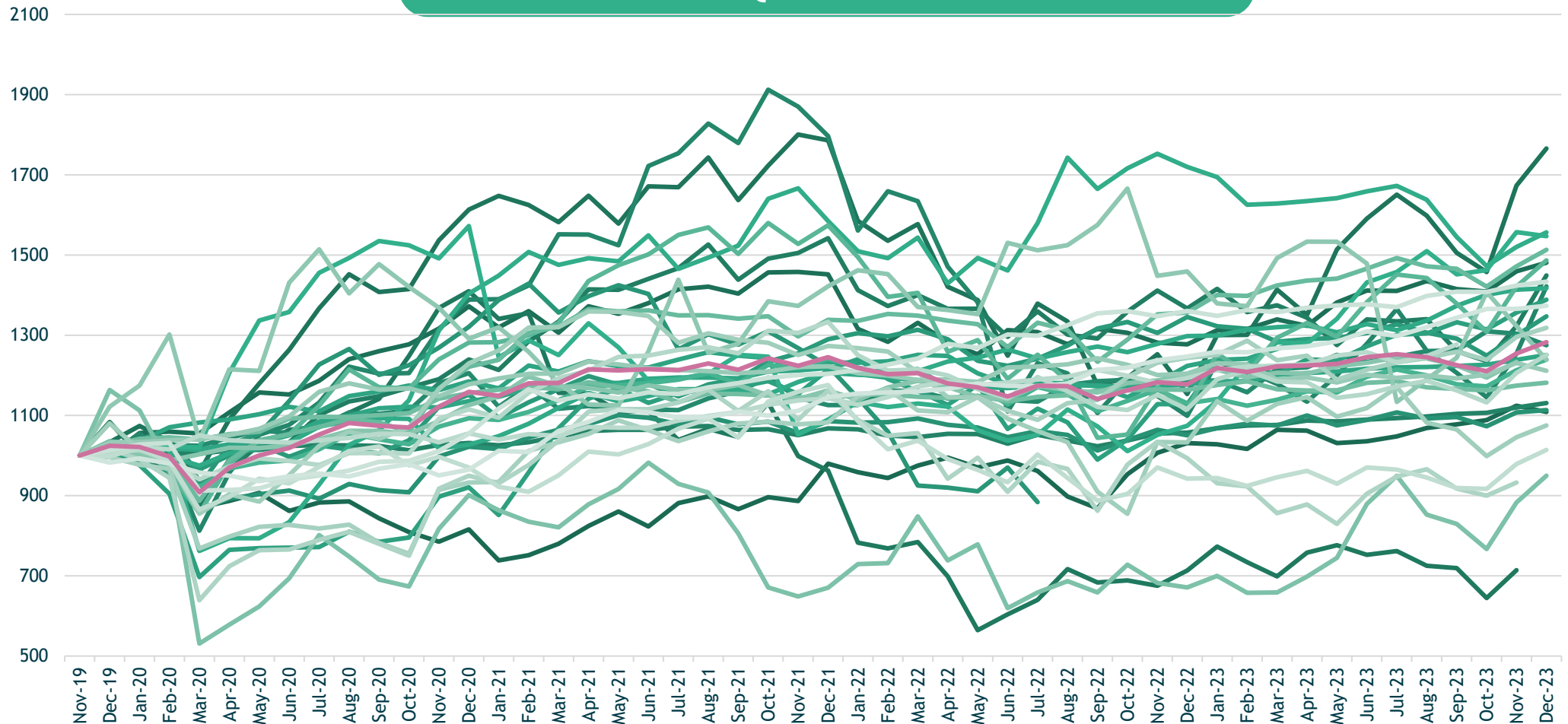


# Diversification is Key

A single manager is potentially riskier than the “strategy”

**We believe no one has figured out which ELS hedge fund will outperform going forward.**

## ELS FUNDS VS EQUAL WEIGHTED PORTFOLIO



Source With Intelligence, Preqin, DBi and DBi calculations. The grey lines represent the constituents of the DBi Equity Hedge Target as of December 2023. The purple line represents the equal weighted portfolio performance of the DBi Equity Hedge Target universe. Performance data from With Intelligence and Preqin databases. Some constituents have either closed or ceased reporting.



# Equity Long Short in a Nutshell



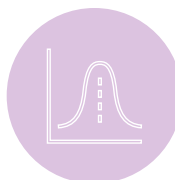
## ONE MAIN SOURCE OF RETURNS

Factor rotations explain 80% or more of pre-fee returns



## DIVERSIFICATION IS KEY

A single manager is much riskier than the “strategy”



## STOCK SELECTION UNPREDICTABLE

Single stock “alpha” can be both positive and negative



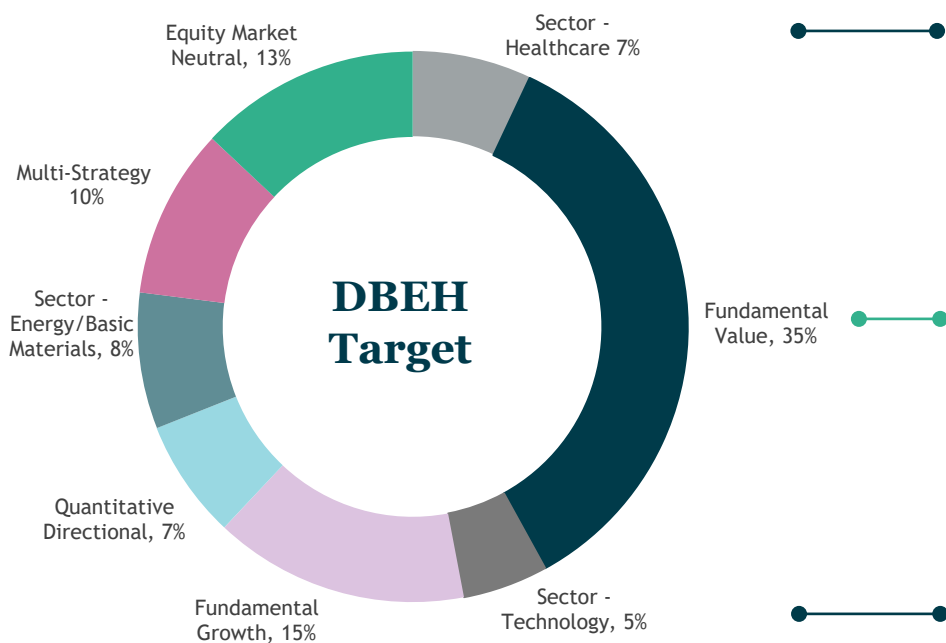
## FEES ARE A KEY FOCUS

High fees can consume most alpha over time

# Equity Long Short in a Nutshell



*Equity Long/Short ETF managed by iM Global Partner US and subadvised by DBi*



Seeks to replicate pre-fee returns of a universe of leading Equity Long/Short hedge funds in a client-friendly ETF wrapper

“Target” portfolio of hedge funds diversified across sub-strategies and seeks to minimize single manager risk

Seeks to match the core factor exposures of the Target hedge funds with a dynamically-adjusted portfolio of liquid futures contracts

*DBEH does not invest in hedge funds. Rather, the sub-advisor, DBi, uses quantitative models to estimate the current factor weights of the Target hedge funds and invests directly in index futures to seek to obtain similar exposures. Portfolio is rebalanced monthly.*



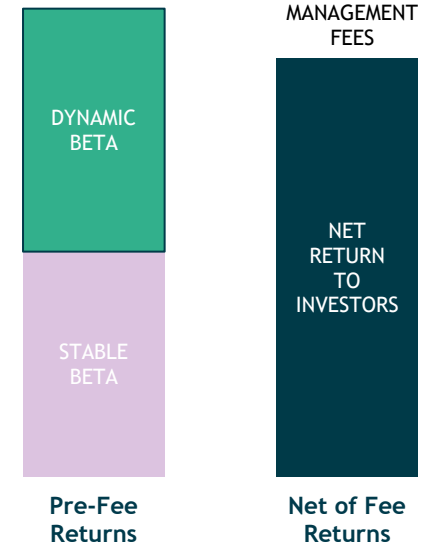
# The DBi Approach to Equity Long/Short

- Sophisticated multi-factor model analyzes recent pre-fee performance of a universe of leading Equity Long/Short hedge funds
- The model determines core long and short factor weights today: overall equity exposure, value vs growth, US vs international, small vs large, emerging vs developed, cross-asset hedges, etc.
- Exposure built with approximately 15 positions in highly-liquid, exchange-traded futures contracts for efficient execution and maximum liquidity
- Those factor weights are designed to deliver 80-100% of pre-fee returns and most alpha generation over time
- The portfolio is rebalanced monthly, consistent with the rate of change of the underlying portfolios

## Hedge Funds



## Replication



### DBEH Futures Positions as of December 31, 2023

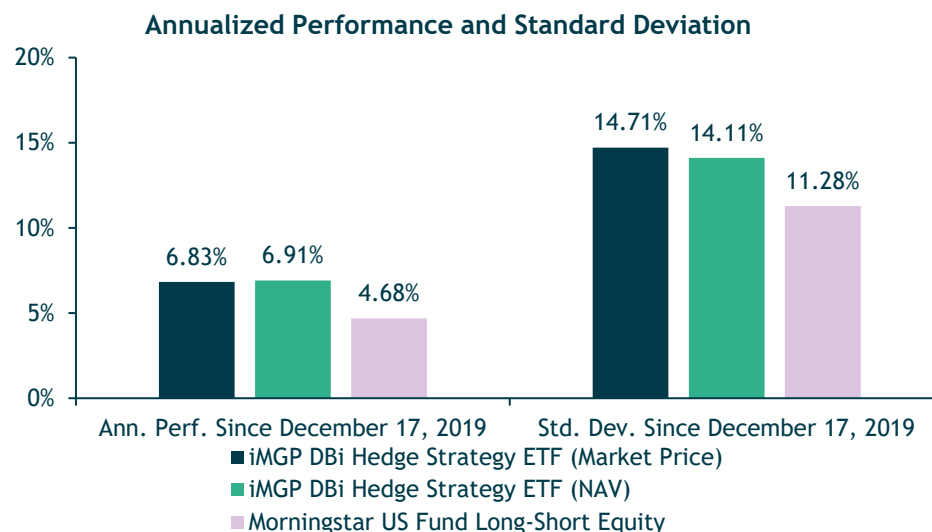
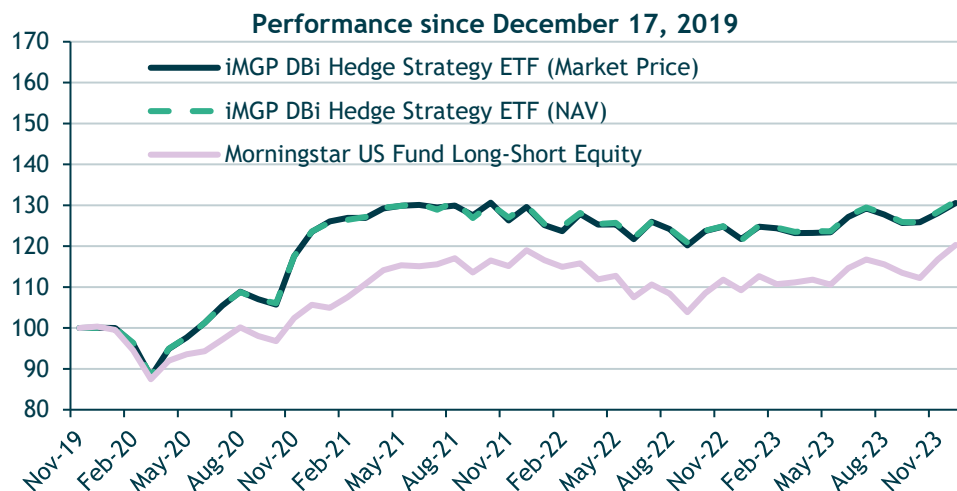
Top 5 Holdings		Asset Class Exposure (%)	
2 Yr Treasury	27.6%	Fixed Income	50.4%
SOFR	27.4%	US Equities	20.0%
EAFE	8.7%	International Developed Equities	8.7%
Nasdaq	8.1%	Emerging Market Equities	-0.5%
S&P 400 MidCap	6.7%	US Dollar	-12.4%

### Selected Subset of Funds within the Target Portfolio

Renaissance	Lakewood Capital
Value Partners	Marshall Wace
Chilton	Two Sigma
Man GLG	Perceptive
Lansdowne	Cadian
Dorsal	Cryder
Haw Ridge	Teton
Biomedical Value	Pinpoint China
SEG Partners	Brookdale
Polar Capital	Electron

Source: Dynamic Beta investments, US Bank - Data as of December 31, 2023. Fund holdings and allocations are subject to change and are not recommendations to buy or sell any security. Current and future portfolio holdings are subject to risk.

# Two Reasons to Consider DBEH



Data as of December 31, 2023

Source: iM Global Partner, Dynamic Beta investments, NYSE, HFR - Past performance of the HFR Equity Hedge Index, Morningstar US Fund Long-Short Equity category and iM DBi Hedge Strategy ETF (DBEH) from December 31, 2019 to December 31, 2023 net of 0.85% p.a. fees in USD - All statistics are computed using monthly returns - Returns may increase/decrease as a result of currency fluctuations for investors whose natural currency differs from the funds currency.

See Slide 11 for standardized performance.

# #1

DBi replication seeks to match or outperform institutional-quality hedge funds, which in general have outperformed alternative mutual funds.

*“For a decade, advisors have struggled with the fact that alternative mutual funds have delivered half or less the returns of actual hedge funds. Replication seeks to solve this ‘performance drag’ issue.”*

- DBi

# iMGP DBi Hedge Strategy ETF Performance



Performance as of 12/31/2023	Average annual total returns				Since inception (12/17/19)
	Three-month	Year-to-date	One year	Three year	
iMGP DBi Hedge Strategy ETF (NAV)	4.05%	7.91%	7.91%	1.95%	6.91%
iMGP DBi Hedge Strategy ETF (Price)	3.90%	7.24%	7.24%	1.87%	6.83%
Morningstar US Fund Long-Short Equity	5.99%	10.12%	10.12%	4.42%	4.68%

## Gross Expense Ratio - 0.85%

Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 888-898-1041.

Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns.

All of the assets and liabilities of the Predecessor Fund were transferred to the Fund in a reorganization on 09/20/2021.

Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

# Two Reasons to Consider DBEH



iM  
Global  
Partner

## Annual Dispersion among Equity Long/Short Hedge Funds



# #2

Replication of a diversified portfolio of hedge funds may minimize single manager risk

*“Single manager risk is a huge hurdle for advisors who, unlike institutions, cannot invest in half a dozen funds per strategy. Often, the diversification benefits of the strategy can be lost when single funds blow up or underperform.”*

- DBi

# Our Goal: “Index Plus”



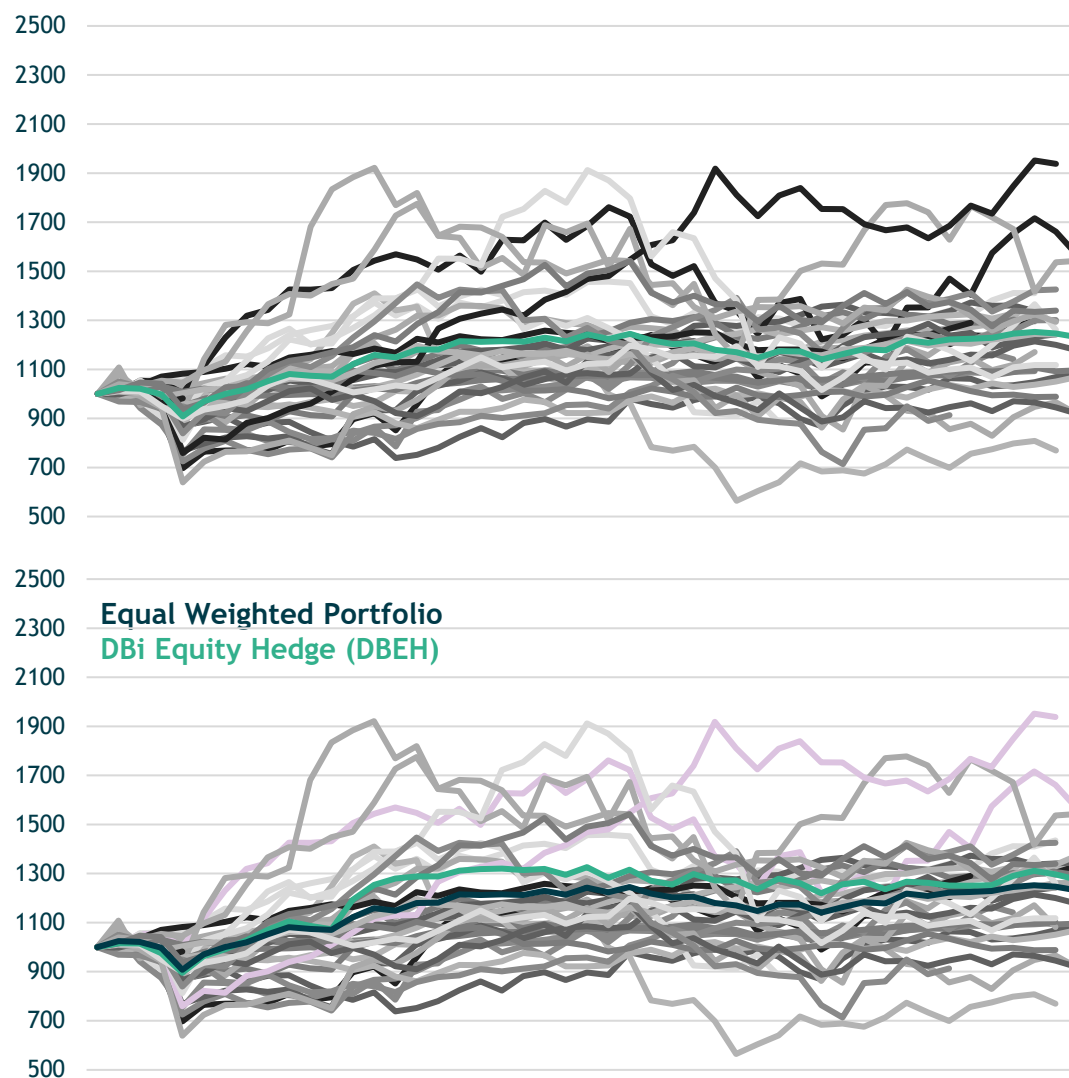
iM  
Global  
Partner

01

Start with the premise that we want to replicate actual hedge fund performance.

02

Replicate pre-fee and pre-trading cost returns while charging less.



Source: Bloomberg, DBi and DBi calculations. Note that from Jul 2016 to Dec 2019, DBi executed its managed futures strategy through direct investments in futures contracts. Starting in December 2019, DBi's managed futures strategy was deployed through a listed ETF for which DBi is the sole sub-advisor and invests in futures contracts. The grey lines represent the constituents of the Replication Target Index as of 2016. Performance data provided by DBi. Some constituents have either closed or ceased reporting.

# Contact Us

## Questions about the fund?

Please contact our relationship management team.



323-372-1960



[www.imgpfunds.com](http://www.imgpfunds.com)



[team@imgpfunds.com](mailto:team@imgpfunds.com)



2301 Rosecrans Ave., Suite 2150  
El Segundo, CA 90245

# Important Disclosures

**The Funds' investment objectives, risks charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company, and it may be obtained by visiting [imglobalpartner.com](http://imglobalpartner.com). Read it carefully before investing.**

Investing involves risk. Principal loss is possible. Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the funds. Brokerage commissions will reduce returns. The Funds are “non-diversified,” so they may invest a greater percentage of their assets in the securities of a single issuer. As a result, a decline in the value of an investment in a single issuer could cause the Funds’ overall value to decline to a greater degree than if the Funds held a more diversified portfolio. The Funds should be considered highly leveraged and are suitable only for investors with high tolerance for investment risk. Futures contracts and forward contracts can be highly volatile, illiquid and difficult to value, and changes in the value of such instruments held directly or indirectly by the Fund may not correlate with the underlying instrument or reference assets, or the Fund’s other investments. Derivative instruments and futures contracts are subject to occasional rapid and substantial fluctuations. Taking a short position on a derivative instrument or security involves the risk of a theoretically unlimited increase in the value of the underlying instrument. For iM DBi Managed Futures Strategy ETF, exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities. Exposure to foreign currencies subjects the Funds to the risk that those currencies will change in value relative to the U.S. Dollar. By investing in the Subsidiary, the Funds are indirectly exposed to the risks associated with the Subsidiary’s investments. Fixed income securities, or derivatives based on fixed income securities, are subject to credit risk and interest rate risk.

The iMGP DBi Hedge Strategy ETF is distributed by ALPS Distributors. Exp. 1/31/2025 LGE000270

Diversification does not assure a profit, nor does it protect against a loss in a declining market.



# Important Disclosures

**RISK DISCLOSURE.** Investment in the Programs is speculative and involves a high degree of risk, including the risk that the entire amount invested may be lost. The use of a proprietary technique, model or algorithm does not guarantee any specific or profitable results. There is no assurance that the Programs will be profitable. Past performance is not indicative of future results. Investment returns will fluctuate and the value of an investor's interest in a Program will fluctuate and may be worth more or less than the original cost when redeemed.

**DERIVATIVES RISK.** The use of futures and other derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives.

**EXCHANGE-TRADED FUND RISK.** An ETF trades like common stock and represents a portfolio of securities. The risks of owning an ETF generally reflect the risks of owning the underlying securities, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees and other operating expenses that increase their costs.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Funds will generally fluctuate with changes in the market value of the Funds' holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on the Exchange. The Funds' Sub-Adviser cannot predict whether shares will trade below, at or above their net asset value because the shares trade on the Exchange at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Funds trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed for cash, or, in certain circumstances, in-kind, in Creation Units, the Funds' Sub-Adviser believes that large discounts or premiums to the net asset value of shares should not be sustained.

**MANAGED FUTURES AND EQUITY LONG SHORT STRATEGIES RISKS.** The Funds will employ various alternative investment strategies that involve the use of complicated investment techniques. There is no guarantee that these strategies will succeed and their use may subject the Funds to greater volatility and loss. Alternative strategies involve complex securities transactions that involve risks in addition to those risks with direct investments in securities described herein, including leverage risk and the risks described under "Derivatives Risk". The Funds' returns overtime or during any period may be negative, and the Funds may underperform the overall security markets over any time or during any particular period.

**MANAGEMENT RISK.** The Funds are subject to management risk because it is an actively managed portfolio. In managing the Funds' investment portfolio, the Funds' Sub-Adviser will apply investment techniques and risk analyses that may not have the desired result. There can be no guarantee that the Funds will meet its investment objective.

**MARKET RISK.** Market risk is the risk that a particular security owned by the Funds or shares of the Funds in general may fall in value. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Overall securities values could decline in value or underperform other investments.

It is not possible to invest in an Index.

# Thank You

## Our international offices

### Paris

+33 (0)1 88 40 75 00  
20, rue Treilhard  
75008 Paris  
France  
[contact-FR@imgp.com](mailto:contact-FR@imgp.com)

### London

+44 (0)20 3808 8090  
62 Threadneedle Street  
EC2R 8HP London  
United Kingdom  
[contact-UK@imgp.com](mailto:contact-UK@imgp.com)

### Luxembourg

+352 26 27 36 1  
10-12 blvd F.D. Roosevelt  
L-2450  
Luxembourg  
[contact-LU@imgp.com](mailto:contact-LU@imgp.com)

### Frankfurt

+49 170 557 0046  
Neue Mainzer Strasse 46-50  
60311 Frankfurt am Main  
Germany  
[contact-DE@imgp.com](mailto:contact-DE@imgp.com)

### Madrid

+34 91 198 77 18  
Paseo de Recoletos, 5,  
28003 Madrid  
Spain  
[contact-ES@imgp.com](mailto:contact-ES@imgp.com)

### Milan

+39 02 829 56 699  
Via Dante, 7  
20123 Milan  
Italy  
[contact-IT@imgp.com](mailto:contact-IT@imgp.com)

### Stockholm

+46 (0)7 03 51 33 11  
Kungsgatan 8  
111 43 Stockholm  
Sweden  
[contact-SE@imgp.com](mailto:contact-SE@imgp.com)

### Zurich

+41 (0) 44 214 64 74  
Bahnhofstrasse, 37  
8001 Zurich  
Switzerland  
[contact-CH@imgp.com](mailto:contact-CH@imgp.com)

## Our US offices

### Los Angeles

+1 (323) 238 4518  
2301 Rosecrans Ave,  
Suite 2150  
El Segundo, CA 90245  
United States  
[info-US@imgp.com](mailto:info-US@imgp.com)

### Walnut Creek

+1 (925) 254 8999  
1676 N. California Blvd,  
Suite 500  
Walnut Creek, CA 94596  
United States  
[information@lgam.com](mailto:information@lgam.com)

### Miami

+1 (305) 487 3870  
78 SW 7th Street  
FL 33130 Miami  
United States  
[contact-usoffshore@imgp.com](mailto:contact-usoffshore@imgp.com)