

Theta Distressed Credit Opportunities Pool – TDCOP

30 September 2023

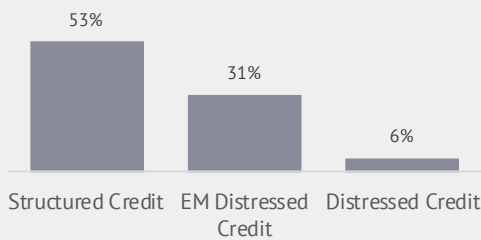
Fund Characteristics

Fund AuM	\$47,212,966
Strategy AuM (rounded) ¹	\$102,000,000
Number of holdings	5
Top Holding	31%

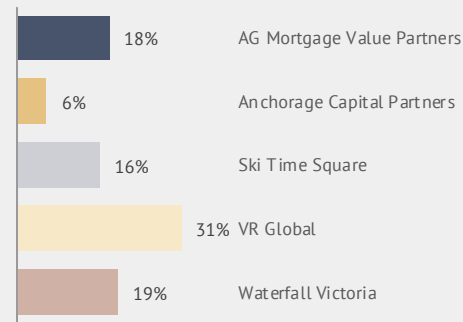
Performance (net of fees)

	NAV	MTD	YTD
Class A	\$1,184.55	-0.46%	0.03%
Class B	\$1,163.16	-0.48%	-0.17%

Strategy Breakdown (% NAV)



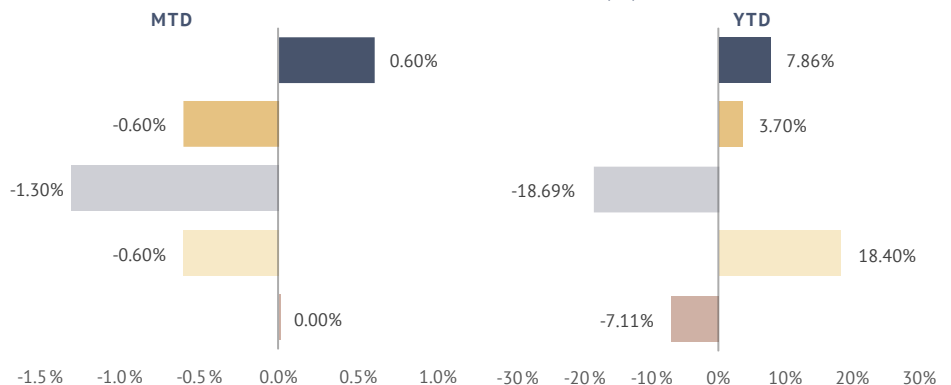
Portfolio Breakdown (% NAV)



Monthly Update

TDCOP returned -0.46% in September (+0.03% YTD). The HFRX Global Returned -0.10% (+1.38%). The High Yield Corporate Bond ETF returned -1.61% (+4.14% YTD). Although we don't rejoice the negative return, considering the backdrop of September's market downturn—where the S&P500 declined by -5% and global bonds by -3%—it suggests we experienced a somewhat "favorable" challenging month. We are happy with the positioning of the portfolio which is preserving capital in an aggressive hiking cycle. The slow return this year is partially the result of this positioning, as hedges have detracted from performance, but is more the result of idiosyncratic events that are expected to reverse early next year, such as the Waterfall Victoria headwinds (see below). Therefore, we expect this year's underperformance to be more of a timing effect and to turn into a tailwind going forward. During the quarter, the 30-year US treasury rate jumped an astonishing 84bps from 3.86% to 4.70%. This represents the second largest jump since 1988, Q1 2009 being the largest with an 86bps jump. Theoretically, the effect of higher rates at the back end of the curve could deter business from engaging in longer-term capital-intensive projects as they perceive the costs too high. The same is true for consumers buying real estate or banks providing loan for commercial real estate. Specialist credit managers become key players in the credit market as traditional players no longer provide liquidity. The managers in TDCOP are carefully selected to capitalize on the opportunities we see today. AG MVP gained 60bps during the month with a significant portion of the gains coming from hedges and student loans. Waterfall Victoria was flat for the month. Anchorage and VR both lost 60bps and STS lost -1.30%. Waterfall Victoria has suffered over the past 12 months from an idiosyncratic situation related to the reverse mortgage servicing market where an important player defaulted. The fund's losses are resulting from mark-downs of the book in relation to deteriorating liquidity. These are unrealized losses that should fully reverse as soon as the situation has been resolved, something the manager expects to happen in the first half of 2024. Remarkably, VR has now generated profits in Ukraine with their restructuring expertise. They had significant exposure when the war started and continued to invest when prices plummeted. It is a good example of what they excel at, making the most of situations that others would abandon, recognizing the potential in adverse situations. The same we're seeing in their Argentina strategy. Despite the country going through an economic downturn, they manage to generate positive returns.

Performance Breakdown (%)^{2,3}



Fund Return Statistics (since inception)^{4,5,6}

USD	Annualised returns	Annualised st. dev.	Risk-adjusted return	Best monthly return	Positive months	S&P500 Beta
Class A	5.35%	3.70%	1.45	2.69%	74.36%	0.00
Class B	4.76%	3.60%	1.32	2.52%	74.36%	-0.00
HFRX	2.54%	3.59%	0.71	2.82%	53.85%	0.13
iShares HY ETF	1.77%	9.13%	0.19	6.69%	53.85%	0.42

Monthly Fund Returns (net of fees, USD)⁶

Class A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	HFRX
2020							0.91%	1.44%	0.34%	0.60%	1.58%	2.51%	7.59%	7.98%
2021	2.01%	1.09%	0.81%	1.44%	2.69%	0.53%	0.78%	0.62%	0.69%	0.59%	0.06%	0.03%	11.91%	3.65%
2022	0.21%	-2.06%	0.28%	0.97%	-0.47%	-0.54%	-2.13%	1.64%	0.35%	-1.73%	0.55%	1.36%	-1.65%	-3.52%
2023	-0.23%	0.28%	-0.31%	-1.04%	-0.05%	0.97%	0.82%	0.07%	-0.46%				0.03%	1.38%

Class B	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	HFRX
2020							0.83%	1.34%	0.29%	0.55%	1.46%	2.35%	7.01%	7.98%
2021	1.87%	1.00%	0.74%	1.34%	2.52%	0.47%	0.71%	0.59%	0.66%	0.57%	0.05%	0.02%	11.03%	3.65%
2022	0.18%	-2.08%	0.25%	0.95%	-0.49%	-0.57%	-2.15%	1.62%	0.32%	-1.75%	0.53%	1.34%	-1.93%	-3.52%
2023	-0.26%	0.25%	-0.34%	-1.06%	-0.07%	0.94%	0.80%	0.05%	-0.48%				-0.17%	1.38%

¹Rounded-includes the same assets in Theta Capital Management BV individual accounts.

²Returns gross of Theta fees, net of underlying manager fees.

³Underlying manager returns are based on flash estimates and are subject to change.

⁴Risk-Adjusted return is defined as the Annualised returns divided by Annualised standard deviation with data since inception.

⁵iShares HY ETF is the iShares iBoxx High Yield Corporate Bond ETF composed of high-yield corporate bonds.

⁶HFRX is the HFRX Global Hedge Fund Index and is used as a reference index, Source HFR database.

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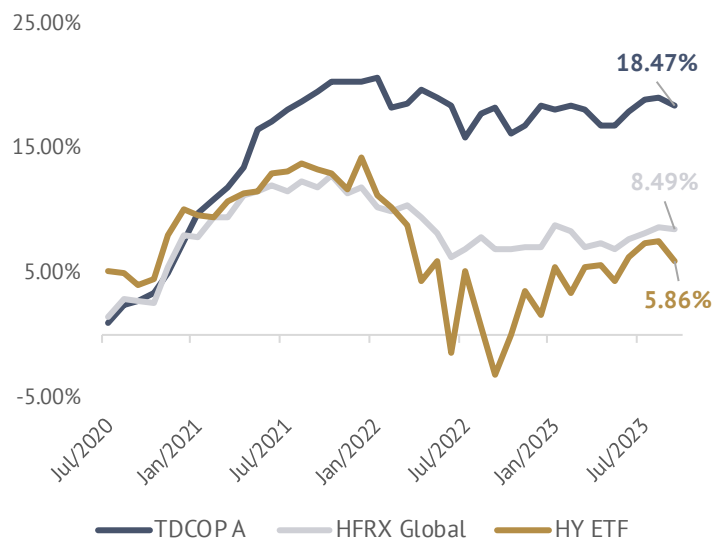
Fund Strategy & Description

TDCOP will allocate to 4-8 specialist managers at any time, depending on the evolving opportunity set, with a focus on investing in dislocated credit instruments, distressed debt and restructuring opportunities. TDCOP will allocate to managers in the structured, corporate and sovereign credit space in both developed and emerging markets that have the experience and infrastructure to capitalize on the increased volatility and dispersion in markets, as well as anticipated restructurings and liquidations. Attractive investment opportunities have been limited for distressed credit managers in recent years. We have used this period to secure capacity with the best managers who have been closed to new capital but are now opening-up to capitalize on the suddenly vastly expanded opportunity set.

Co-Investment

Theta Capital Management presented qualified investors to join a co-investment in ZAIS Zephyr 7 Fund per October 1st 2020. The investment provided a highly attractive opportunity to invest in CLO tranches at dislocated prices. As of December 2021, the investment has been fully returned to investors and has generated a net IRR of 39% (excluding fees charged by Theta Capital Management) over a 14-month period.

Cumulative returns^{5,6}



Product characteristics

Fund Terms		Management & Administration	
Fund Inception	July 2020	Fund Structure	Common Contractual Fund (Fonds voor Gemene Rekening (FGR))
Currency	USD	Management Company	Theta Fund Management B.V.
Subscriptions	Monthly	Administrator	Apex Fund Services (Netherlands) B.V.
Redemptions	Quarterly, 90 days' notice	Depository	Northern Trust Global Services SE
Gate	25% investor-level gate	Gate	25% investor-level gate
Hard Lock-up	2-year (Class A), 1-year (Class B)	Legal Owner	Stichting Juridisch Eigenaar TDCOP
Management Fee	0.35% (Class A), 0.625% (Class B)	Auditor	RSM Netherlands B.V.
Performance Fee	5% (Class A), 7.5% (Class B)	Legal & Tax Counsel	Greenberg Traurig, LLP
Hurdle	5%	Investor Relations	
High-Water Mark	Yes	Email	investor@thetacapital.com
Minimum Investment	USD5mln (Class A), USD120k (Class B)	Website	www.thetacapital.com
		Phone	+31 20 57 227 32
		Address	Concertgebouwplein 19, 1071 LM, Amsterdam

Disclaimer

Theta Distressed Credit Opportunities Pool – TDCOP (the "Fund"), is domiciled in The Netherlands. Theta Fund Management B.V. (Theta) is the management company of the Fund a 100% subsidiary of Theta Capital Management B.V. Theta is authorised as a management company and regulated by the Dutch regulator Autoriteit Financiële Markten. The Fund is registered under the license of Theta at the Autoriteit Financiële Markten. The shares of the Fund are admitted for (public) offering in The Netherlands. The information in this document provides insufficient information for an investment decision. Please read the Key Information Document (only for the Netherlands) and the prospectus. These documents of the Fund are available on the website of Theta (www.thetacapital.com). The value of your investment may fluctuate. Past performance provides no guarantee for the future.

⁵HY ETF is the iShares iBoxx High Yield Corporate Bond ETF composed of high-yield corporate bonds.

⁶HFRX is the HFRX Global Hedge Fund Index and is used as a reference index, Source HFR database.

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