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### Managed Futures / Managed Forex Database

To access the database:

1. Request a free access key at [altavra.com](http://altavra.com).
  - The access key will be automatically generated and sent immediately to your email address.
2. After you receive the access key, you can access the database at [login.altavra.com](http://login.altavra.com).

\*PLEASE NOTE: There is no fee to access the database. This is not a trial access. The access key does not expire.

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### What Are Managed Futures?

The term managed futures describes an asset class in which professional money managers trade the global futures and options markets on behalf of their clients. These money managers are also known as Commodity Trading Advisors (CTA's).

As an asset class, managed futures are increasingly being recognized as an important investment alternative that may potentially enhance the returns and lower the overall volatility of a diversified investment portfolio. Past results are not necessarily indicative of future results. The risk of loss in trading futures, options and off-exchange forex can be substantial.

### Notable Quotations

"Managed futures are not any more risky than traditional equity investments. Investment in a single commodity trading advisor is shown to have risks and returns, which are similar to investment in a single equity. Moreover, a portfolio of commodity trading advisors is shown to have risks and returns which are similar to traditional investments."

Thomas Schneeweis, Professor of Finance at the University of Massachusetts, 2002 Academic Study "Benefits of Managed Futures"

"Portfolios... including judicious investments... in leveraged managed futures accounts show substantially less risk at every possible level of expected return than portfolios of stocks (or stocks and bonds) alone."

Dr. John K. Lintner, Harvard Economist

"Portfolios with as much as 20% of assets in managed futures yielded up to 50% more than a portfolio of stocks and bonds alone."

Chicago Mercantile Exchange

"It is a total myth. Now that we had a bear market the mutual fund industry had done worse than [managed] futures ever did...now that these lessons are sinking in, I expect alternative investments to get more exposure... People will be better off [invested in alternative strategies]."

George Crapple, Co-Chairman of Millburn Ridgefield, January 2003 Futures Magazine

### Managed Futures: Industry Size

According to the CME Group (<http://altavra.co/wpacn>), assets under management in the managed futures industry have grown by 55% since 2008.

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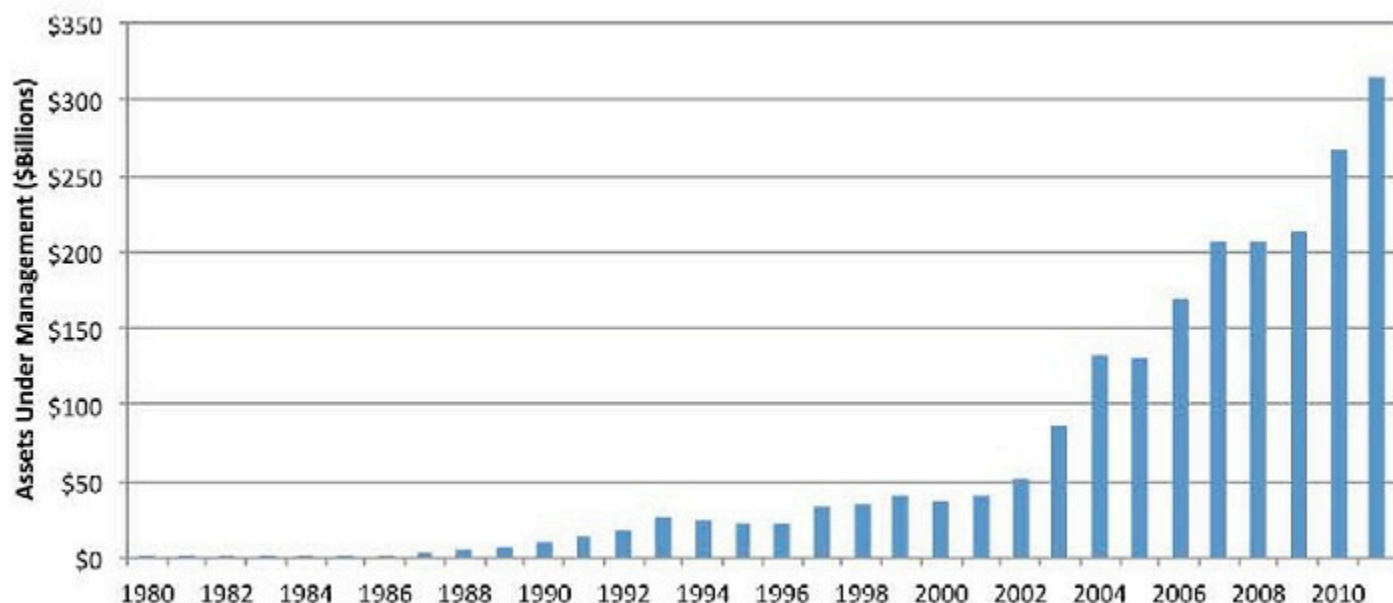
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Growth over the past decade in managed futures has been substantial. According to the Chicago Board of Trade, in 2002, an estimated \$45 billion was under management by Commodity Trading Advisors. Just two years later in a study released by the Barclay Group, money under management during the 4th quarter 2004 had grown to \$131.9 billion. In the third quarter of 2008, the Chicago Board of Trade had the assets under management in managed futures at \$227 billion. As of the second quarter of 2012 the money managed by managed futures trading advisors as \$334 billion.



According to the CME Group, managed futures have been used by investment professionals for more than 30 years. Institutional investors looking to maximize portfolio exposure continue to increase their use of managed futures as an integral component of a well-diversified portfolio. With the ability to go both long and short, managed futures are highly flexible financial instruments with the potential to profit from rising and falling markets. Managed futures also typically have a low correlation to traditional asset classes, enabling them to provide the opportunity for enhanced returns and lower overall volatility.

2008 saw the destruction of many traditional portfolios comprised of U.S. equities, world equities, interest rate products and real estate holdings.

U.S. equities declined by almost 40%, world equities by 45%, interest rates across the G8 countries have collapsed to near zero and the real estate market has been pummeled by percentages similar to the declines in the equities markets.

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All, of these asset classes went down together as global de-leveraging unfolded.

Portfolios, in our opinion, need non-correlated investment to protect against the types of upheavals felt in late 2008. Managed futures are a proven non-correlated investment.

Managed futures had an average gain in excess of 18% (Credit Suisse/Tremont Managed Futures Index) during the same period proving itself to be not only a good stand alone investment but powerfully demonstrating the value of designing portfolios with an eye to non-correlation.

Asset Class	2008 Year End Performance
Managed Futures	18.33%
Cash (90-day T-Bill)	0.03%
MSCI World Stock Index	-42.10%
S&P 500 Index	-38.50%
DJIA	-33.80%
Nikkei 225 Average	-42.10%
CRB Index	-36.00%
FTSE Eurofirst 300 Index	-44.80%
Real Estate (Global)	-46.70%

Key: Managed Futures: Credit Suisse/Tremont Managed Futures Index; Cash (3 Month Bill): Bill rate 02/10/2009 Source Bloomberg ; MSCI World Index: Morgan Stanley Capital International World Stock Index ; S&P 500 Index: Standard & Poor's 500 Index ; DJIA: Dow Jones Industrial Index Nikkei 225 Average: Nikkei Heikin Kabuka 225 Index CRB Index: Reuters/CRB Commodity Index FTSE Eurofirst 300 Index: Financial Times Stock Exchange Eurofirst 300 Index Real Estate (Global): Dow Jones Wilshire Global Real Estate Securities Index

Thomas Jefferson in his 1781 notes to the State of Virginia observed "History by apprising [citizens] of the past will enable them to judge of the future".

If we, as investors, cannot learn from these recent unsettling events in the financial markets then we are likely to be condemned to repeat those same mistakes in the future.

In our opinion, managed futures, as an emerging asset class, has earned its place within any modern diversified portfolio.

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