## Risk Disclosure Statement

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QUESTIONS OR COMMENTS: PLEASE EMAIL CLIENTSERVICES@ALTAVRA.COM OR CALL 1-800-998-7870.

### Managed Futures / Managed Forex Database

To access the database:

1. Request a free access key at 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.

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

## Portfolio Diversification: Opportunity for Reduced Portfolio Volatility Risk

Investors can utilize managed futures with a view to reducing volatility in their overall investment portfolio. There's a low correlation between the performance of managed futures and stock prices or interest rates.

Through a managed futures investment, investors have access to futures markets around the globe. Many of these markets are now electronically traded and offer sophisticated risk management tools. Commodity Trading Advisors (CTA's) trade a host of liquid global markets ranging from currencies to stock indices, agricultural commodities, precious metals, base metals, interest rate products and so on.

Unlike other asset classes, where profits depend solely on price appreciation, opportunities and risk in commodity futures trading exist in both rising and falling markets. Option strategies can also be employed by Commodity Trading Advisor managing Managed Futures accounts.

Thomas Schneeweis, Professor of Finance at the Center for International Securities and Derivatives Markets (CISDM) at the University of Massachusetts, Amherst released a benchmark study in June 2002 titled “The Benefits of Managed Futures” which supported use of managed futures as a way to potentially reduce portfolio volatility risk. It states that managed futures:

:: enhance portfolio returns in economic environments in which traditional stock and bond investment media offer limited opportunities, and that managed futures

:: participate in a wide variety of new financial products and markets not available in traditional investor products

In his conclusion Professor Schneeweis wrote:
*“Thus managed futures are shown on average to have a low return correlation with traditional stock and bond markets as well as many hedge fund strategies and to offer investors the potential for reduced portfolio risk and enhance investment return. As important for properly constructed portfolios, managed futures are also shown to offer unique downside risk control with upside return potential.*

*Simply put, the logical extension of using investment managers with specialized knowledge of traditional markets to obtain maximum return/risk tradeoffs is to add specialized managers who can obtain the unique returns in market conditions and types of securities not generally available to traditional asset managers; that is, managed futures.”*



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