

## Risk Disclosure Statement

THE RISK OF LOSS IN TRADING COMMODITIES CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.

IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THE DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF THE PRINCIPAL RISK FACTORS AND EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR ("CTA").

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QUESTIONS OR COMMENTS: PLEASE EMAIL [CLIENTSERVICES@ALTAVRA.COM](mailto:CLIENTSERVICES@ALTAVRA.COM) OR CALL 1-800-998-7870.

For the up-to-date performance information on 90+ managed accounts, please access the alternative investment database\*.

To access the database:

1. Request an access key at [altavra.com](https://altavra.com).
  - The access key will be automatically generated and sent immediately to your email address.
2. After you receive your access key, you can follow the instructions in the email to access the database.
3. In the database, click on "List of Programs" at the top of the page to view all of the programs in the database.

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

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## **Program Description: Background**

Jaffray Woodruff has spent his career creating a statistical learning method for time series prediction. Over the course of the past 21 years, he has meshed this endeavor with a keen interest and career in the financial markets. Jaffray Woodruff has successfully managed client accounts as a Commodity Trading Advisor (CTA) and also has spent two years trading on a Wall Street proprietary desk. In April 2000, Jaffray Woodruff and Michael Geismar launched a proprietary market neutral equities program. In December 2001, they began to manage a proprietary futures account using the Global Program methodology. In October 2003, after successfully managing this account for almost two years, Jaffray Woodruff and Michael Geismar and Greyson Williams decided to offer the Global Program to clients.

## **Program Description: Predictive Modeling**

Financial markets are not entirely efficient. Numerous small inefficiencies exist which can be exploited through the prudent use of robust quantitative analysis and predictive technologies.

Quantitative Investment Management currently employs numerous quantitative trading models that utilize pattern recognition to predict all types of price movements. All models are tested across massive data sets that expose them to a wide range of market, economic, and political environments, as well as a wide range of time frames and interactions. Only those models that prove to be the most robust, statistically significant, and conceptually diverse are used in actual trading. The resultant system of models creates predictions on a daily basis that have resulted in excellent outperformance versus most benchmarks over the past six and a half years. Past results are not necessarily indicative of future results. The risk of loss in trading futures, options and off-exchange forex can be substantial.

Quantitative Investment Management's trading strategies and models may be revised from time to time as a result of ongoing research and development that seeks to devise new strategies and systems, as well as to improve current methods. As a result of our research, the strategies and systems used by Quantitative Investment Management in the future may differ from those presently used. Changes to risk weightings, execution factors and the active universe of futures contracts traded may occur from time to time, for example, without notice to clients. Although these underlying parameters evolve over time, these adjustments do not represent material changes to the predictive framework itself. Quantitative Investment Management will notify all clients in advance of a material change to this fundamental trading approach.

## **Program Description: Risk Management**

The enduring success of any trading program relies heavily on the risk management used in implementing the strategy.

Quantitative Investment Management applies highly sophisticated risk management procedures that take into account the price, size, volatility, liquidity, and inter-relationships of the markets traded. On the portfolio level, account risk is monitored

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on a daily basis to target a specific standard deviation of daily returns. For the standard version of the Global Program, annualized volatility is targeted at 12%.

During significant drawdowns in equity, Quantitative Investment Management reduces market exposure by scaling back the overall leverage.

## Program Description: Execution

The execution of Quantitative Investment Management's trading strategies is systematic. All facets of the predictive models, risk management, and trade allocation are fully automated. However, discretion plays a role in the evolution of the trading system over time as Quantitative Investment Management does seek improvements to the trading strategy.

In addition to the abundance of technologies driving the daily trading, Quantitative Investment Management's staff monitors every market in which it trades on a daily basis and monitors numerous other factors, including, but not limited to: volume and open interest, news, correlation pairings, cash prices, opening calls, slippage and volatility.

The trading is discretionary in that final decisions are made, and systems can be overridden, based on the full set of information that has been compiled. That being said, the trading system has never been overridden.

## Program Description: Markets Traded

Quantitative Investment Management trades in, or monitors the following markets:

### Currencies

Euro  
British Pound  
Japanese Yen  
Canadian Dollar  
Australian Dollar  
Mexican Peso  
Swiss Franc

### Energies

Globex Crude Oil  
Brent Crude Oil  
London WTI Crude Oil  
Natural Gas  
Heating Oil  
Unleaded Gas

### Grains

Corn  
Soybeans  
Wheat

### Stock Indices

E-mini S&P 500 (USA)  
E-mini Nasdaq 100 (USA)  
E-mini Russell 2000 (USA)  
Dax (Germany)  
DJ Euro Stoxx 50 (Europe)  
FTSE 100 (Great Britain)  
Nikkei 225 (Japan)  
KOSPI  
Hang Seng (Hong Kong)  
S&P ASX 200 (Australia)  
MSCI Taiwan  
FTSE/JSE Top 40 (South Africa)  
CAC-40 (France)  
AEX (Netherlands)  
S&P/MIB (Italy)  
IBEX 35 (Spain)

### Softs

Cocoa  
Coffee  
Cotton  
Sugar

### Interest Rates

US 10 Year Note  
US 30 Year Note  
US 2 Year Note  
US 5 Year Note  
Eurodollar  
Euro-Bund  
Euribor  
Euro-Schatz  
Euro-Bobl  
Long Gilt  
Short Sterling  
JGB

### Metals

Gold  
Silver  
Copper

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Quantitative Investment Management's programs seek to profitably trade each of the markets in which they participate while taking advantage of the diversification available from such a varied list of futures contracts. The trading programs often take opposing long and short positions within the same or related classes of correlated futures. Taken in conjunction with the powerful effect of diversification across a broad range of contracts, this generally results in far less risk than trading a single market with similar leverage. Other futures contracts or currencies may be added to the Global Program if Quantitative Investment Management's research demonstrates that such an addition would potentially enhance that program's performance. Past results are not necessarily indicative of future results. The risk of loss in trading futures, options and off-exchange forex can be substantial.

## **Management Information: Jaffray Woodriff**

Jaffray Woodriff has 20 years experience trading financial markets using proprietary quantitative models that he has developed. In 2003, Jaffray Woodriff co-founded Quantitative Investment Management to offer the Global Program to outside clients. He guides all aspects of Quantitative Investment Management's business and is chiefly responsible for the constant innovation and improvement of the models and techniques that underlie Quantitative Investment Management's predictions, trading, and risk management. Jaffray Woodriff graduated from the University of Virginia with a BS in Business in 1991. Jaffray Woodriff formed Quantitative Investment Management in May 2003, has been registered with the CFTC as an Associated Person and listed as a Principal since January 16, 2004 and January 13, 2004, respectively.

## **Management Information: Greyson Williams**

Greyson Williams co-founded Quantitative Investment Management in April 2003 after working with Jaffray Woodriff and Michael Geismar as a consultant beginning December 2002. He serves as an analyst, assists in statistical analysis and the development of predictive and risk models, and manages the internal databases and in-house software development. Greyson Williams graduated from the University of Virginia in 1995 with a BA in English and a minor in Art History. Greyson Williams formed Quantitative Investment Management in May 2003, has been registered with the CFTC and listed as a Principal since January 16, 2004 and as an Associated Person since November 28, 2005.

*The descriptions above are from the manager's disclosure document.*

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