



Strategy Profile

The strategic objectives are the achievement of strong risk-adjusted compounded returns, stable risk, and low correlation to equities. The strategy offers a complimentary return stream to traditional equity + fixed-income portfolios.

The trend program is a long-short trend-following program using signals generated from our proprietary research. The strategy uses two “Trend Levels” to determine positions, one based on monthly data and the other based on weekly data. The strategy keeps a core position based on the Monthly Trend Level. The position is increased only if the Weekly Trend Level agrees. If they do not agree, the core position remains. The program trades in futures markets across agriculture, energy, equity, foreign exchange, interest rates, metals, and softs.

Risk management is priority one and is measured & controlled at three levels: 1. Strategy target volatility ranges from 21% to 10% of capital, decreasing proportional to the drawdown from the high water mark, 2. Instrument level position sizing is inversely proportional to its historical realized 60-day volatility and, 3. Cross-asset correlations are used to calculate a diversification scalar, ranging from 1.00 to 2.00, by which positions are levered up and down.

Monthly Returns

| | January | February | March | April | May | June | July | August | September | October | November | December | Annual |
|------|---------|----------|--------|--------|--------|---------|--------|--------|-----------|---------|----------|----------|---------|
| 2006 | | | | 8.96 | 5.85 | (2.58) | 3.19 | 0.23 | 4.88 | (1.35) | (0.82) | 1.01 | 20.46 |
| 2007 | 1.12 | (7.58) | 1.14 | 1.71 | 2.10 | 0.84 | (1.93) | 1.95 | 0.49 | 1.23 | 1.75 | (0.68) | 1.72 |
| 2008 | 0.64 | 2.42 | (1.17) | (0.17) | 1.08 | (0.83) | (3.65) | 2.57 | 11.51 | 7.39 | 3.18 | 3.92 | 29.36 |
| 2009 | 0.45 | (4.76) | (4.12) | 1.62 | 1.34 | (2.03) | 3.99 | (0.17) | (1.81) | (2.96) | 11.15 | (2.26) | (0.54) |
| 2010 | (1.50) | (2.45) | 1.12 | (4.11) | 9.15 | 5.71 | (5.65) | 0.43 | 2.80 | 5.34 | (1.91) | 12.20 | 21.41 |
| 2011 | (1.93) | (4.94) | (6.67) | 2.33 | 4.16 | (11.42) | 0.00 | 3.52 | 10.31 | (9.98) | (3.94) | (2.44) | (20.87) |
| 2012 | 1.22 | (0.52) | 0.94 | (2.32) | 8.18 | (4.60) | (3.98) | 0.11 | 0.56 | 0.78 | 0.99 | 1.22 | 2.03 |
| 2013 | (0.19) | (3.30) | (4.92) | 7.62 | 1.20 | 2.18 | 0.45 | 0.02 | (0.85) | 0.60 | (2.36) | 3.87 | 3.78 |
| 2014 | (3.70) | (6.56) | (3.71) | (6.05) | 5.60 | (2.60) | (7.44) | (1.46) | 1.29 | 0.75 | 3.23 | (2.47) | (21.54) |
| 2015 | 7.48 | (4.55) | (0.29) | 3.51 | (3.48) | 1.27 | 0.23 | 2.22 | (2.84) | (5.80) | 0.63 | (5.11) | (7.33) |
| 2016 | 5.02 | (1.72) | 4.80 | (0.79) | (2.31) | (5.05) | 1.83 | (2.99) | 0.44 | (2.50) | 15.64 | (0.06) | 11.29 |
| 2017 | 0.90 | 0.51 | (4.37) | 0.23 | 2.25 | (3.17) | (0.08) | 3.84 | 0.20 | 7.82 | (1.49) | 1.38 | 7.74 |
| 2018 | 7.73 | (5.50) | (0.34) | 4.41 | (4.14) | (3.86) | 12.30 | (1.11) | 3.29 | (3.74) | 4.87 | 5.07 | 18.80 |
| 2019 | 2.32 | (1.09) | 0.69 | 4.09 | 16.65 | 1.46 | (0.98) | 4.37 | (6.16) | (4.84) | 0.00 | 3.51 | 19.95 |
| 2020 | 0.35 | (1.50) | 19.41 | (6.56) | (2.53) | 4.08 | 12.90 | 1.07 | (7.33) | 4.40 | 7.81 | 7.12 | 42.68 |
| 2021 | 3.79 | 16.08 | 5.58 | 8.89 | 0.37 | (0.00) | 1.54 | 0.71 | (2.04) | 5.74 | (0.86) | 0.79 | 47.15 |
| 2022 | 2.31 | (1.74) | 3.58 | 0.92 | 5.25 | 7.59 | 0.57 | 2.65 | 0.15 | (1.77) | (6.45) | 0.81 | 13.97 |

** All transactions are executed at [OHLC/4] on the day following position calculation



Performance and Risk

| | Inception | | | 5-Year | | | 3-Year | | | 1-Year | | |
|---------------------------|-----------|------------|--------|----------|------------|--------|----------|------------|--------|----------|------------|-------|
| | Strategy | S&P 500 TR | BSTI | Strategy | S&P 500 TR | BSTI | Strategy | S&P 500 TR | BSTI | Strategy | S&P 500 TR | BSTI |
| Cumulative Return | 388.08% | 315.68% | 57.40% | 240.99% | 234.64% | 18.31% | 139.29% | 138.35% | 17.79% | 13.97% | (18.11%) | 7.51% |
| CAGR | 9.93% | 8.88% | 2.75% | 27.80% | 27.33% | 3.42% | 33.75% | 33.58% | 5.61% | 13.97% | (18.11%) | 7.51% |
| Maximum Drawdown | (41.34) | (50.95) | (8.27) | (10.69) | (23.87) | | (8.92) | (23.87) | | (8.10) | (20.20) | |
| Months to New Peak | 31 | 37 | | 4 | | | 2 | | | | | |
| Annualized Volatility | 16.61% | 15.66% | 6.28% | 19.42% | 18.69% | 4.57% | 19.76% | 21.16% | 1.85% | 12.53% | 23.00% | |
| Skew | 0.85 | (0.60) | 0.83 | 0.92 | (0.37) | (1.75) | 0.96 | (0.24) | 0.19 | (0.31) | 0.47 | |
| Kurtosis | 1.78 | 1.13 | 0.40 | 1.30 | (0.19) | 3.50 | 1.65 | (0.56) | | 1.05 | (1.31) | |
| Sharpe Ratio | 0.59 | 0.56 | 0.43 | 1.42 | 1.45 | 0.70 | 1.70 | 1.58 | 2.90 | 0.98 | (0.86) | |
| Sortino Ratio | 1.22 | 0.75 | 2.43 | 3.41 | 2.36 | | 3.65 | 2.70 | | 1.31 | (2.35) | |
| Beta (v S&P, Annualized) | (0.49) | | (0.15) | (0.35) | | | (0.35) | | | (0.75) | | |
| Alpha (v S&P, Annualized) | 3.53% | | 4.45% | 7.97% | | | 9.30% | | | 2.92% | | |

S&P 500 TR = S&P 500 Total Return Index

BSTI = Barclay Systematic Trader Index (annual return observations)

Performance Presentation Disclaimer

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN; IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK OF ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL WHICH CAN ADVERSELY AFFECT TRADING RESULTS.