

HEDGE *fund*

Best Tactical Commodities Portfolio Manager



Red Rock Capital is a highly specialized Commodity Trading Advisor with an award-winning track record for clients over 12 years in length.

Firm assets under management are approximately \$75 million.

Red Rock offers two investment management programs for investors. Both are designed for managed accounts (SMAs); they do not currently offer a "Fund" or commingled investment vehicle.



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Red Rock's two offered investment strategies are:

Commodity Long-Short Program – features a highly acclaimed 2+ year track record netting clients over 35% annualized growth rate – with no correlation to stocks and bonds – and almost no meaningful correlation to other CTAs, either. This program only invests in tangible / hard / physical commodity futures (no financials) such as grains, foods & softs, metals, livestock, and energies.

All of the firm's research indicates that physical commodities markets behave very differently than financial markets, and their strategy was specifically designed to exploit clearly identifiable short-term supply and demand imbalances. A typical trade lasts only 9 days. Besides the stellar absolute performance of this strategy since its inception, what may be more valuable to family office and high net worth investors is its extremely low correlation to other CTAs. It produces a highly unique return stream, and this can be invaluable to investors who are trying to add more diversification to a portfolio of CTAs.

Systematic Global Macro Program – features a 12+ year track record netting clients over 10% annualized growth rate – with no meaningful correlation to stocks, bonds, real estate, or other hedge funds. This strategy was designed to utilize measurable, objective information to help Red Rock identify major capital flows that manifest themselves as sustainable price trends regularly occurring around the globe.

To capitalize on these trends, long or short positions are diligently chosen from a universe of 70 globally diversified futures markets across financial futures such as interest rates, bonds, currencies, stock indices and on commodity futures (grains, precious & base metals, foods & softs, livestock, & energies). Red Rock's edge, stemming from one of the founder's training, is that they incorporate Probability Theory in a unique and effective manner that increases the risk-adjusted returns of their Systematic Global Macro program.

"We are an effective, lean, highly efficient, two-man team with world-class pedigree and a combined 36 years of experience," said Managing Partner and lead Portfolio Manager Tom Rollinger who goes on to explain that his firm's aim is two-fold, to firstly "produce the highest risk-adjusted returns possible for our investors and ourselves" and secondly to "offer investors extremely valuable diversification from their traditional investments such as stocks, bonds, real estate, private equity and, in the case of our Commodity Long-Short program, valuable diversification from any other CTAs in which they may be invested.

"We prefer to make decisions, and especially investment decisions, using probabilities, objective and quantitative analysis, and critical thinking. We are not interested in "opinions" or "forecasts" or anecdotal examples of luck. We choose to operate in a calm, deliberate, analytical, and thorough manner" he adds.

Rollinger is a staunch contrarian and exudes a unique blend of confidence and humility – and he's not afraid to set the record straight on fallacies he sees in the Managed Futures space: "The ability of investors to "time" their entries and exits into and out of CTAs effectively is an illusion and an oft-held misperception in our industry. The only credible (i.e. thorough; backed by scientific-type data) academic research analysis done in this area clearly demonstrates that investors are not well-served by trying to time CTAs" Rollinger concludes.

Red Rock Capital's research and opinion pieces, along with their highly analytical white papers, are among the most respected in the managed futures and commodities arenas. Thorough analysis and detailed presentations on this type of topic matter demonstrate the principals' acumen and continued dedication to their craft. One example is the excellent AN HONEST UPDATE ON THE TREND FOLLOWING LANDSCAPE paper from June 2015. Rollinger conveyed this paper will be updated in January 2016 with data all the way through 2015.

Such a paper demonstrates how competitive Red Rock Capital's performance has been against world-class CTAs since their inception over 12 years ago. A two-man team competes (and beats, in many cases) huge multi-billion dollar firms, who in some cases have tens of PhDs on staff. How do they do it? By being more efficient and agile...and some have said sharper.

The future

Both partners continue to run Red Rock Capital out of passion – indeed both have made enough money over the years to retire already – but they still enjoy the 'chess match' of trying to exploit inefficiencies in the markets.