RED ROCK

THE CASE FOR MANAGED FUTURES

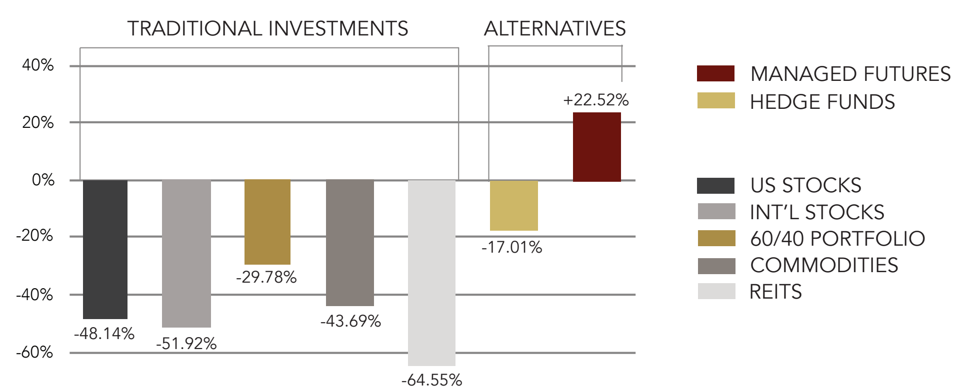
COMPARING PORTFOLIOS WITH VARYING LEVELS OF DIVERSIFICATION 01/90 - 09/14

	100% US STOCKS[5]	100% MANAGED FUTURES[6]	100% TRADITIONAL 60/40 PORTFOLIO[7]	75% TRADITIONAL 25% MANAGED FUTURES
Return[1]	9.50%	5.48%	8.56%	7.94%
Volatility[2]	14.71%	7.89%	9.12%	6.98%
Max DD[3]	-50.95%	-10.10%	-32.54%	-22.36%
Sortino Ratio[4]	1.04	1.32	1.52	1.99

1. *Annualized Return*
2. *Annualized Standard Deviation*
3. *Maximum Drawdown*
4. *See Red Rock white paper, Sortino: A 'Sharper' Ratio*
5. *S&P 500 Total Return Index*
6. *Barclay CTA Index*
7. *60% S&P 500 / 40% Barclays Agg Bond Index*

Managed Futures have historically exhibited low correlation to traditional assest classes. As Dr. John Lintner of Harvard University summarized back in 1983, *"portfolios... including judicious investments... in managed futures accounts show substantially less risk at every possible level of expected return than portfolios of stocks (or stocks & bonds) alone."*

THE CREDIT CRISIS 09/07 - 02/09



Source: Managed Futures = Barclay CTA Index, Hedge Funds = HFRI Fund Weighted Composite Index, US Stocks = Vanguard Total Stock Market Index Fund, Int'l Stocks = MSCI World Index, 60/40 = Vanguard Balanced Index Fund, Commodities = GSCI, REITs = NAREIT Index

During the Credit Crisis, Managed Futures produced *extremely* valuable diversification. MIT professor Dr. Kathryn Kaminski referred to this valuable potential benefit as "Crisis Alpha" in her 2011 study titled *In Search of Crisis Alpha.*

ABOUT RED ROCK CAPITAL, LLC

Red Rock Capital is a multi-award winning CTA and commodity investment management firm located in Southern California.

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