

WHY SYSTEMATIC GLOBAL MACRO?

COMPARING PORTFOLIOS WITH VARYING LEVELS OF DIVERSIFICATION 09/03 - 10/16

	100% US STOCKS ⁴	100% RED ROCK SGM	100% TRADITIONAL 60/40 PORTFOLIO ⁵	75% TRADITIONAL 25% RED ROCK SGM
Return ¹	9.17%	10.21%	7.31%	8.03%
Volatility ²	14.31%	13.04%	8.68%	7.13%
Max DD	-50.86%	-17.75%	-32.48%	-20.40%
Sortino Ratio ³	0.94	1.63	1.27	1.92

1. Annualized Return
2. Annualized Standard Deviation

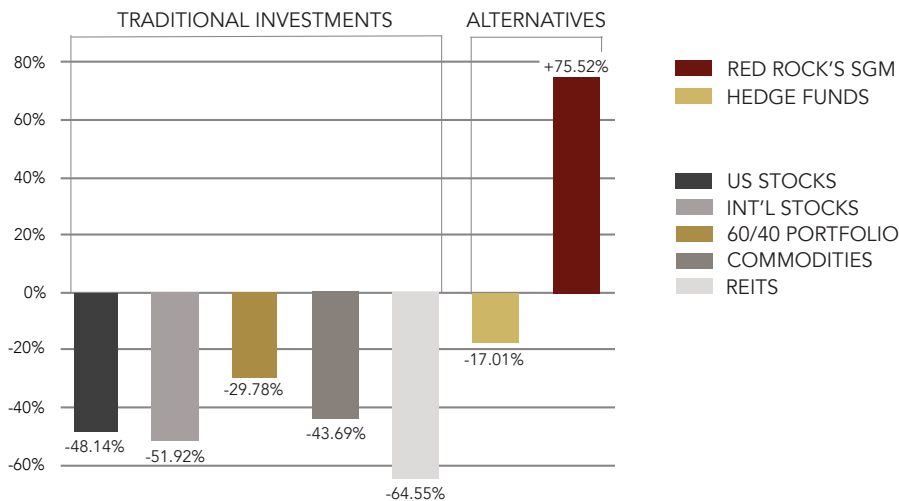
3. See Red Rock white paper: Sortino: A Sharper Ratio

4. Vanguard Total Stock Market Index Fund (VTSAX)

5. Vanguard Balanced Index Fund (VBIAX)

Red Rock Capital's Systematic Global Macro program has historically exhibited low correlation to traditional asset 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: 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, Red Rock's Systematic Global Macro program 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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