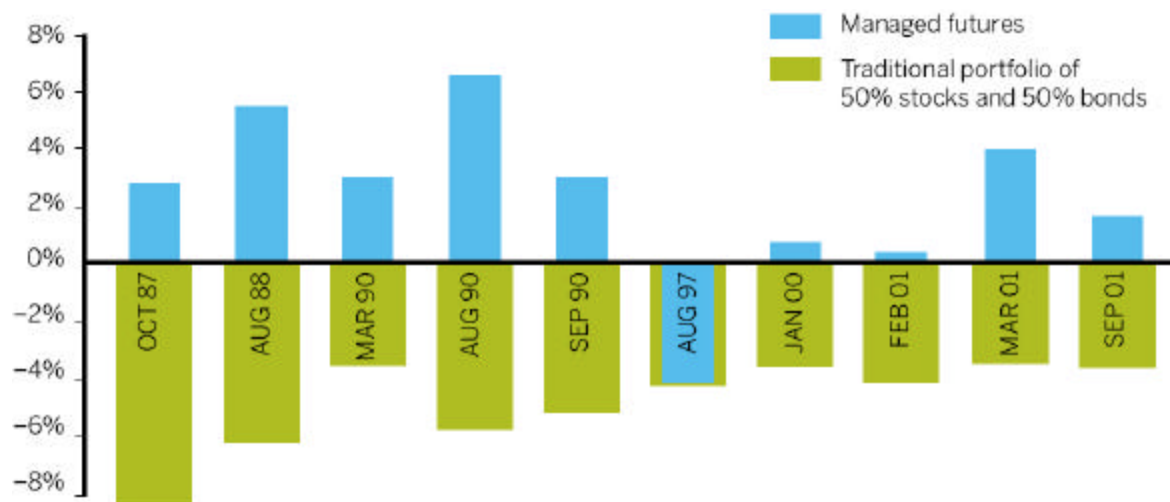


## Managed Futures Declines vs. A Traditional Portfolio During Stock Market Declines



Managed futures: CASAM CISDM CTA Equal Weighted; Stocks: MSCI World; Bonds: JP Morgan Government Bond Global; Time scale: 01/1987– 02/2008

Managed futures trading advisors can generate profit in both rising and falling markets due to their ability to go long (buy) futures positions in anticipation of rising markets or go short (sell) futures positions in anticipation of falling markets. Moreover, trading advisors are able to go long or short with equal ease. As the above chart shows this ability, coupled with their virtual non-correlation with most traditional asset classes, have resulted in managed futures performing well relative to traditional asset classes during adverse conditions for stocks and bonds. Note how in every year except one managed futures were positive while a traditional portfolio of stocks and bonds were negative. This should help one conceptualize how managed futures can potentially reduce risk and increase returns when combined in a stock and bond portfolio!

\*Courtesy CME Group: *Managed Futures: Portfolio Diversification Opportunities*.

Trading futures and options involves substantial risk of loss no matter who is managing your money and is not suitable for all investors. Past performance is not indicative of future results.



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