

PORTFOLIO OPTIMIZATION

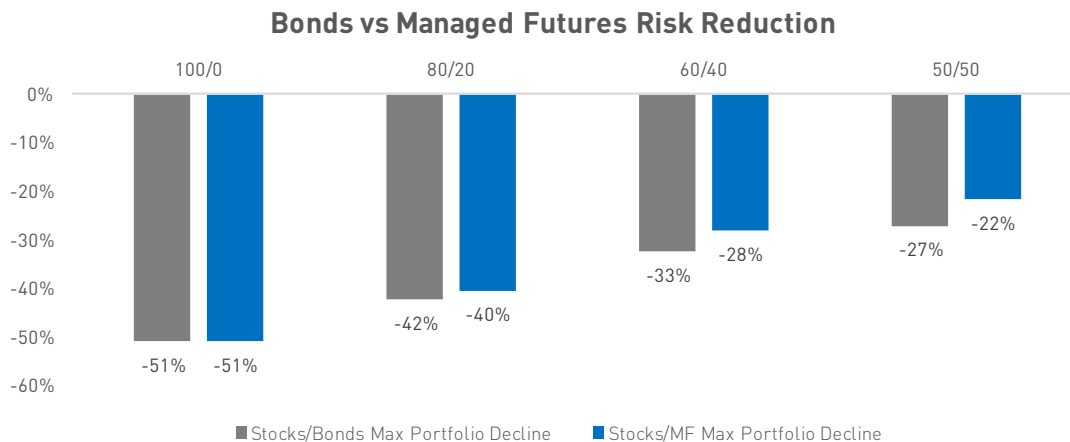
Portfolio Constituents: Stocks/Bonds vs. Stocks/Managed Futures

Methodology

This optimization compared varying concentrations of stocks/bonds portfolios with stocks/managed futures portfolios. Managed futures is represented with the SG Trend Index, bonds with the Barclays U.S. Aggregate Bond Index, and stocks with the S&P 500 TR. Performance was analyzed from January 2000 (the earliest common inception date) through March 2016.

Results

Across all concentrations from 100% stocks down to 50% stocks, managed futures lowered the max decline of the portfolio by a greater amount relative to bonds.



Source: S&P 500 TR for Stocks data, SG Trend Index for Managed Futures data, and Barclays U.S. Aggregate Bond Index for Bonds.

Index performance in this document was sourced from third party sources deemed to be accurate, but is not guaranteed. Diversification does not eliminate the risk of experiencing investment losses. The indices shown are for informational purposes only and are not reflective of any investment. As it is not possible to invest in the indices, the data shown does not reflect or compare features of an actual investment, such as its objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, or tax features. Past performance is no guarantee of future results.

SG Trend Index: A leading benchmark for tracking the performance of a pool of the largest managed futures trend following based hedge fund managers that are open to new investment. The SG Trend Index is equal-weighted and reconstituted annually. The SG Trend Index was used in this presentation to represent Managed Futures, as Managed Futures is generally recognized as an asset class that is non-correlated to U.S Stocks (represented in this presentation as the S&P 500). The SG Trend Index was formerly known as the Newedge Trend Index.

S&P 500 TR Index: A stock market index based on the market capitalizations of 500 leading companies publicly traded in the U.S. stock market, as determined by Standard & Poor's. In this presentation, the S&P 500 is presented as a total return index, which reflects the effects of dividend reinvestment.

Barclays U.S. Aggregate Bond Index: An unmanaged index composed of securities from the Barclays Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indices are rebalanced monthly by market capitalization.

Additionally, returns increased and correlation to the S&P 500 decreased further with managed futures relative to bonds. Volatility is similar between the two portfolios from 100% stocks down to about a 60% weighting, but as stocks become less concentrated, bonds reduce volatility more than managed futures.

Allocation %	Stocks/Bonds Portfolio				Stocks/Managed Futures Portfolio			
	Annual Returns	Max Decline	Annual Volatility	Correlation (S&P 500)*	Annual Returns	Max Decline	Annual Volatility	Correlation (S&P 500)*
100/0	4.08%	-50.95%	15.12%	1.00	4.08%	-50.95%	15.12%	1.00
80/20	4.57%	-42.37%	12.06%	1.00	5.00%	-40.43%	12.01%	0.97
60/40	4.96%	-32.54%	9.06%	0.99	5.71%	-28.14%	9.98%	0.82
50/50	5.11%	-27.11%	7.61%	0.97	5.99%	-21.68%	9.61%	0.68

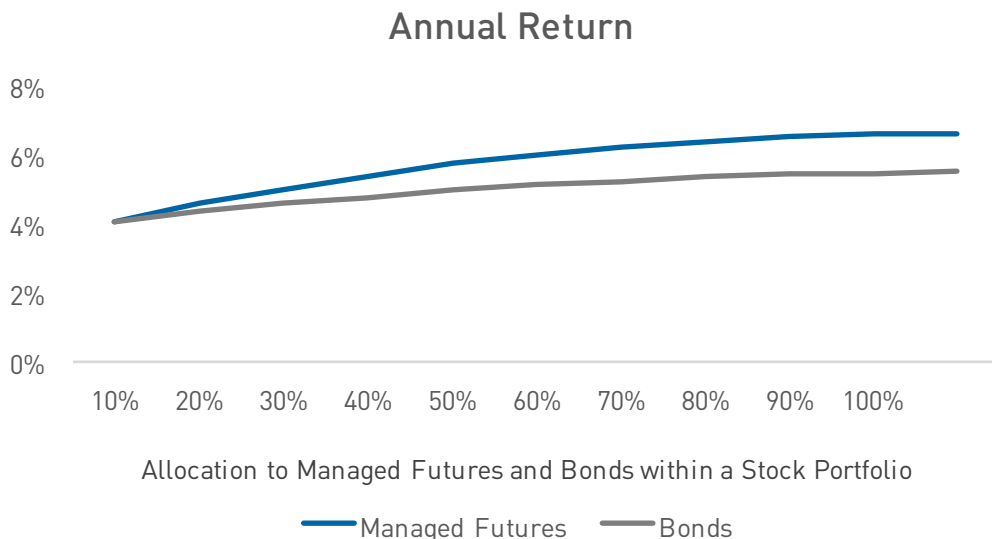
*Correlation is dynamic for a trend following, managed futures strategy. We do not view positive correlation with the S&P 500 during bull markets as unfavorable.

Time frame shown is January 1, 2000 – March 31, 2016

Source: S&P 500 TR for Stocks data, SG Trend Index for Managed Futures data, and Barclays U.S. Aggregate Bond Index for Bonds.

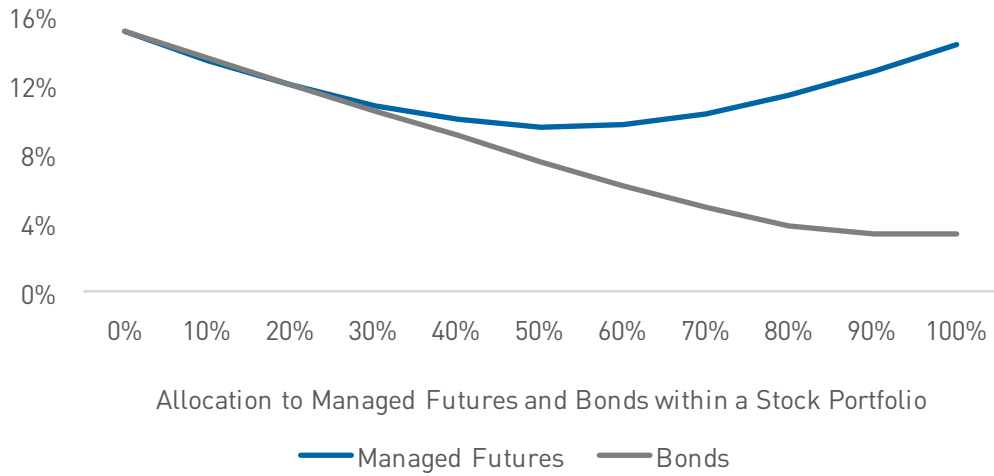
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These trends are shown more clearly below:



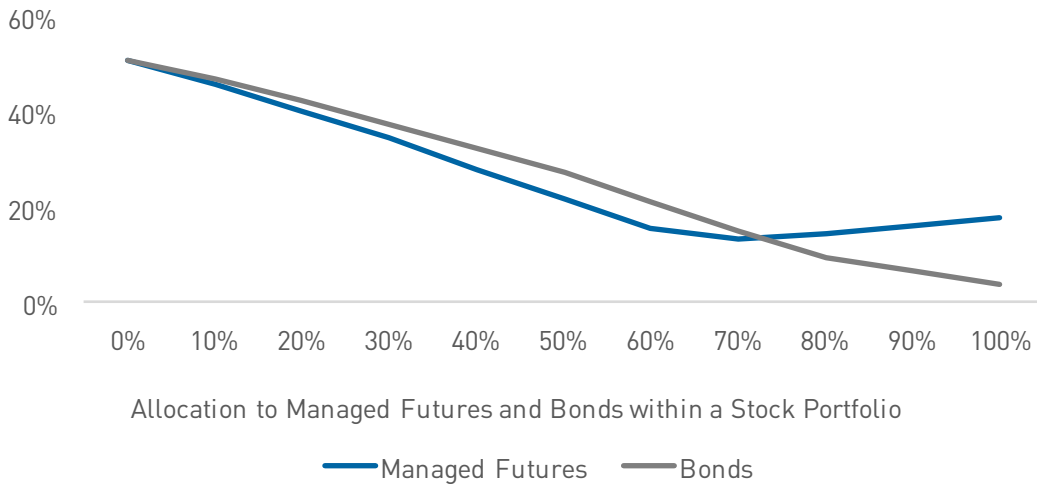
Source: S&P 500 TR for Stocks data, SG Trend Index for Managed Futures data, and Barclays U.S. Aggregate Bond Index for Bonds.

Annual Volatility



Source: S&P 500 TR for Stocks data, SG Trend Index for Managed Futures data, and Barclays U.S. Aggregate Bond Index for Bonds.

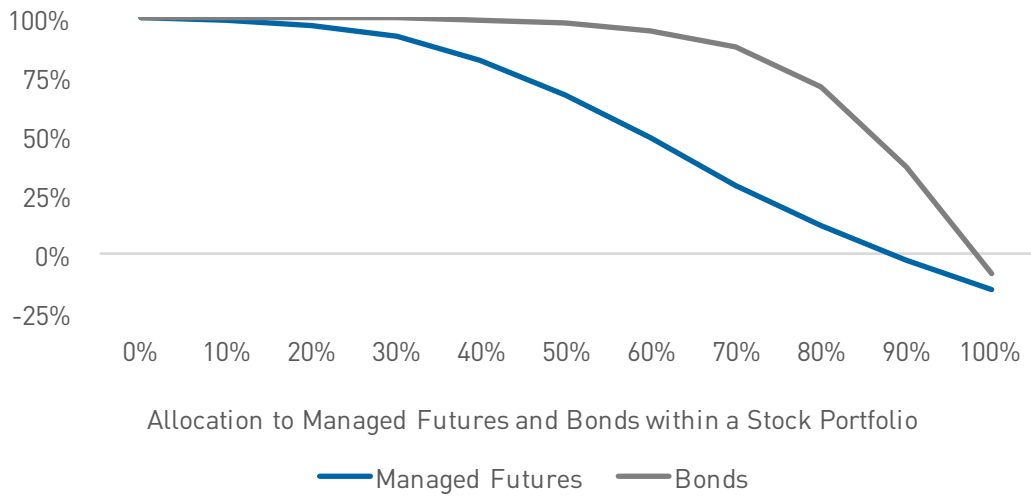
Max Decline



Source: S&P 500 TR for Stocks data, SG Trend Index for Managed Futures data, and Barclays U.S. Aggregate Bond Index for Bonds.

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Correlation to S&P 500



Source: S&P 500 TR for Stocks data, SG Trend Index for Managed Futures data, and Barclays U.S. Aggregate Bond Index for Bonds.

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Diversification does not eliminate the risk of experiencing investment losses.

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