

# Systematic Alpha Short-Term Directional Program

## Systematic Alpha Management, LLC

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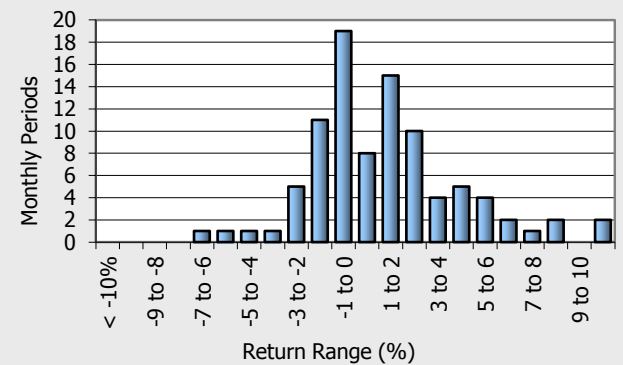
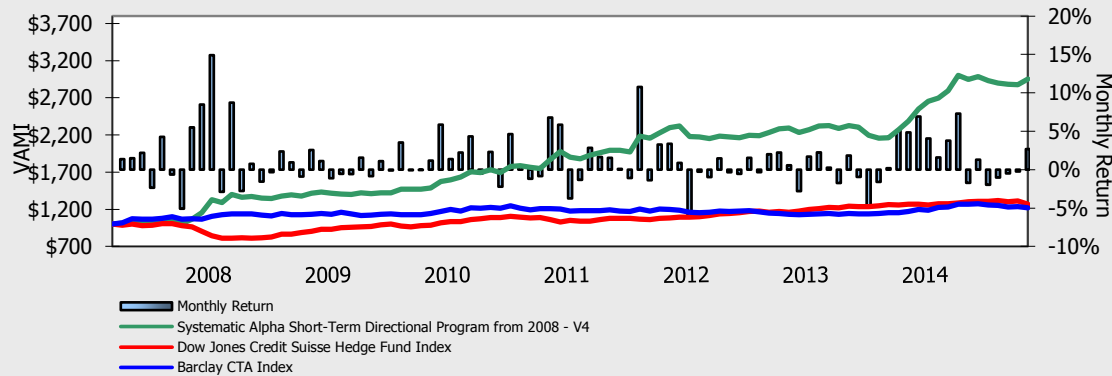
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Benchmark 1 (BM1): Dow Jones Credit Suisse Hedge Fund Index  
Benchmark 2 (BM2): Barclay CTA Index

The Systematic Alpha Short-Term Directional (SASD) program is a highly diversified futures program that aims to generate consistent absolute returns with low correlation to any major equity, bond, currency, hedge fund or CTA indices. To achieve its objective, the SASD program employs short-term directional momentum models and short-term directional trend-following models that, on average, have low correlation to each other and use fully automated, around-the-clock electronic execution in a wide range of the most liquid commodity, fixed income, currency and equity futures markets. The program is developed by a highly qualified team of theoretical physicists, mathematicians, and computer scientists using the latest advances in data collection, analysis and trading infrastructure.

Growth of Initial \$1000

Distribution of Returns



Monthly Hypothetical Performance (%) Net of Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2015</b>	<b>7.30%</b>	<b>-1.72%</b>	<b>1.30%</b>	<b>-1.97%</b>	<b>-1.03%</b>	<b>-0.49%</b>	<b>-0.24%</b>	<b>2.68%</b>					<b>5.64%</b>
<b>2014</b>	<b>-1.74%</b>	<b>1.84%</b>	<b>-0.95%</b>	<b>-4.80%</b>	<b>-1.60%</b>	<b>0.19%</b>	<b>5.09%</b>	<b>4.85%</b>	<b>6.92%</b>	<b>4.06%</b>	<b>1.59%</b>	<b>3.78%</b>	<b>20.24%</b>
<b>2013</b>	<b>1.47%</b>	<b>-0.34%</b>	<b>-0.55%</b>	<b>1.54%</b>	<b>-0.33%</b>	<b>2.01%</b>	<b>2.23%</b>	<b>0.57%</b>	<b>-2.80%</b>	<b>1.70%</b>	<b>2.25%</b>	<b>0.26%</b>	<b>8.18%</b>
<b>2012</b>	<i>1.65%</i>	<i>1.54%</i>	<i>0.10%</i>	<i>-1.09%</i>	<i>10.77%</i>	<i>-1.38%</i>	<i>3.27%</i>	<i>3.37%</i>	<i>0.88%</i>	<i>-6.18%</i>	<i>-0.27%</i>	<i>-0.97%</i>	<b>11.40%</b>
<b>2011</b>	<i>-0.51%</i>	<i>2.31%</i>	<i>-2.22%</i>	<i>4.63%</i>	<i>0.56%</i>	<i>-1.19%</i>	<i>-0.84%</i>	<i>6.79%</i>	<i>5.85%</i>	<i>-3.75%</i>	<i>-1.33%</i>	<i>2.84%</i>	<b>13.28%</b>
<b>2010</b>	<i>1.56%</i>	<i>-0.85%</i>	<i>1.11%</i>	<i>-0.11%</i>	<i>3.54%</i>	<i>-0.08%</i>	<i>-0.02%</i>	<i>1.18%</i>	<i>5.86%</i>	<i>1.38%</i>	<i>2.23%</i>	<i>4.33%</i>	<b>21.83%</b>
<b>2009</b>	<i>-2.78%</i>	<i>0.76%</i>	<i>-1.56%</i>	<i>-0.33%</i>	<i>2.37%</i>	<i>0.95%</i>	<i>-0.90%</i>	<i>2.56%</i>	<i>1.12%</i>	<i>-1.12%</i>	<i>-0.55%</i>	<i>-0.58%</i>	<b>-0.20%</b>
<b>2008</b>	<i>1.37%</i>	<i>1.49%</i>	<i>2.19%</i>	<i>-2.36%</i>	<i>4.27%</i>	<i>-0.64%</i>	<i>-5.09%</i>	<i>5.51%</i>	<i>8.48%</i>	<i>14.91%</i>	<i>-2.89%</i>	<i>8.73%</i>	<b>40.17%</b>

PERFORMANCE HIGHLIGHTED IN BOLD IS LIVE BUT WAS NOT TRADED IN A SEPARATE ACCOUNT  
PERFORMANCE SHOWN IN ITALICS IS BASED ON HYPOTHETICAL RESULTS ACHIEVED USING WALK-FORWARD, OUT-OF-SAMPLE BACK TESTS

Statistical Analysis	Program	BM1	BM2	YTD	Fund	BM1	BM2
<b>Returns</b>				<b>Annual Returns</b>			
Compound ROR	15.18%	3.14%	2.61%	2015-(YTD)	5.64%	-0.72%	-1.22%
Cumulative Return	195.53%	26.77%	21.80%	2014	20.24%	4.13%	7.61%
Cumulative VAMI	\$2,955	\$1,268	\$1,218	2013	8.18%	9.73%	-1.42%
Best Month	14.91%	4.06%	5.52%	2012	11.40%	7.67%	-1.70%
Worst Month	-6.18%	-6.55%	-2.94%	2011	13.28%	-2.52%	-3.09%
% Positive Months	57.61%	64.13%	51.09%	2010	21.83%	10.95%	7.05%
<b>AUM, \$</b>	<b>Program</b>	<b>Strategy</b>	<b>Firm</b>				
Aug-15	N/A	N/A	\$71M				
<b>Risk</b>				<b>Latest Returns</b>			
Standard Deviation	11.61%	6.21%	5.42%	Last Month	2.68%	-3.50%	-1.66%
Sharpe Ratio (0.2%)	1.26	0.50	0.47	Last 3 Months	1.93%	-3.94%	-2.91%
Sortino Ratio (0.2%)	3.00	0.62	0.77	Last Year	23.92%	-0.04%	4.05%
Downside Deviation (0.2%)	4.67%	4.64%	3.09%	2-Year	13.46%	4.43%	3.73%
Max Drawdown	-7.34%	-19.49%	-9.91%	3-Year	8.70%	5.33%	0.59%
Months In Maximum Drawdown	3	7	29	4-Year	12.16%	4.46%	0.23%
Months To Recover	12	21	16	5-Year	14.69%	5.21%	1.22%
				6-Year	13.06%	5.82%	1.24%
<b>Comparison To Benchmark(s)</b>				<b>Drawdown Analysis</b>			
Alpha		1.38%	1.01%	1	-7.34%	-19.49%	-9.91%
Annualized Alpha		17.85%	12.77%	2	-7.21%	-6.97%	-4.59%
Beta		-0.51	0.09	3	-5.70%	-3.94%	-3.33%
Correlation		-0.27	0.48	4	-5.03%	-2.11%	-3.01%
R-Squared		0.07	0.01	5	-4.11%	-1.66%	-2.58%

### Program Details

Subscriptions:	<b>Daily</b>	Management Fee:	<b>1.5%</b>
Redemptions:	<b>Daily</b>	Incentive Fee:	<b>20%</b>
Redemption Notice:	<b>1 business Day</b>	High Water Mark:	<b>Yes</b>
Lock up:	<b>None</b>	Minimum Account Size:	<b>\$1M</b>

\*RATES OF RETURNS FOR BENCHMARKS ARE ESTIMATES; \* AN INVESTMENT IN SYSTEMATIC ALPHA SHORT-TERM DIRECTIONAL PROGRAM CONTAINS RISKS INCLUDING THE RISK OF TOTAL LOSS. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. THERE IS NO GUARANTEE THAT THE FUND WILL MEET ITS INVESTMENT OBJECTIVES. THIS DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY TRADING FUTURES COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATION IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS DOCUMENT. RATES OF RETURN REFERRED TO HEREIN ARE NET OF EXPENSES. RATES OF RETURN ARE BASED ON THE FUND AS A WHOLE AND INDIVIDUAL INVESTOR'S RETURNS MAY VARY SUBJECT TO THE INDIVIDUAL FEE ARRANGEMENTS. THIS REPORT SHOULD BE USED FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE DEEMED AN OFFER TO SELL INTERESTS IN SYSTEMATIC ALPHA SHORT-TERM DIRECTIONAL PROGRAM. NO SUCH OFFER WILL BE MADE PRIOR TO THE DELIVERY OF THE FUNDS OFFERING DOCUMENTATION. BENCHMARK 1 AND BENCHMARK 2 ARE USED FOR PURPOSES OF COMPARISON ONLY. BENCHMARK DATA IS PROVIDED BY REPUTABLE SOURCES AND IS PRESUMED BUT NOT GUARANTEED TO BE CORRECT. THE COMPARISON SHOULD NOT BE UNDERSTOOD TO MEAN THAT THERE WILL NECESSARILY BE A CORRELATION BETWEEN THE FUND'S RETURN'S AND THESE BENCHMARKS. COMMODITIES' TRADING INVOLVES A SIGNIFICANT DEGREE OF RISK. THE RISK OF LOSS IN TRADING COMMODITIES CAN BE SUBSTANTIAL. PROSPECTIVE INVESTORS SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR THEM IN LIGHT OF THEIR FINANCIAL SITUATION. THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITIES TRADING CAN WORK AGAINST THE INVESTORS AS WELL AS FOR THEM. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.