

# Sanctity Capital Management

" Your Solution to Profit and Peace of Mind"



A Limited Risk Investment Service

## A Brief Overview

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Data Disclosure – All investment and mathematical models contained in this brief review are hypothetical and included for educational purposes only. They are not intended as a solicitation for investment and should not be construed as such. Institutional Investments are designed upon request with complete disclosure as described herein.

## 1. What is the Sanctity Managed Futures Investment Service ?

Sanctity offers individual investors and institutions prudent access to the industry's most "conscious" and profitable alternative investment managers, that we are capable of locating. Sectors include managed futures, options, currencies and stock indices. Except for currencies, markets are traded on regulated commodity exchanges. We develop or recommend (using SafeMoneyMetrics™) private label, limited risk investments. Registered trading advisors regulated by the United States Government trade most accounts. Advisors have a track record and complete disclosure document detailing their particular investment strategy. Advisors are chosen, correlated and managed by prominent industry professionals. Capital is held and traded at institutions that are direct clearing members of all major commodity exchanges. SafeMoneyMetrics™ is integrated into every investment.

SafeMoneyMetrics <http://www.safemoneymetrics.com>  
Advisor Analysis <http://analysis.safemoneymetrics.com>  
CTA-Reports <http://cta-reports.safemoneymetrics.com>

## 2. Why Are Managed Futures Needed?

If you are looking to build capital there is no perfect investment. Each component of the typical portfolio carries clearly defined limitations. For example Growth Stocks only perform well in a bull market. Bonds have the opportunity for loss of principal if the asset is sold (interest rate risk). Real Estate is illiquid therefore cash is not easily accessible. Energy Partnerships and Stocks are subject to the price risk of underlying oil prices. Hedge funds may be comprised of only illiquid investments. Each investment has its own set of economic circumstances that require it to perform. If those circumstances are not present it affects your portfolio as a whole.

Substantial financial rewards may be realized by accepting that managed futures are also imperfect but bring their own positive advantages complimenting your existing investments. The synergy of a well-balanced portfolio reduces risk to the entire structure. Unique benefits of managed futures easily offset the risks of traditional investments. Total liquidity and skilled use of leverage are considered the greatest benefit of any managed futures investment. History teaches us that performance and price movement of futures/options greatly differ from traditional investments during various market cycles and do not track well. Futures are non-correlated to any other investment sector making it a perfect strategy for offsetting the inherent risk associated with various market and economic conditions. The question investors must ask when they survey available capital management vehicles is; **How can I utilize the inherent weaknesses of each market sector to my advantage?**

**Using only 20% or less of your total portfolio automatically considers and reduces the above average risk of using leveraged investments.** To fully

understand market movements in managed futures, it is necessary to step outside conventional thought and reach towards something more direct, adaptable, liquid and potentially lucrative. As compared to more traditional investments, which are usually held for one year or longer, high leverage makes futures (a derivative) a tool that offers a time **value use of capital** totally unique to investments. Positions within your portfolio may be held anywhere from minutes and hours to days and weeks. A condensed time frame enables investors to capitalize on the markets volatility and shorter-term trends to seek long-term capital appreciation. **Ability to integrate an investment with a time value use of capital so distinctive gives you opportunity to incorporate a "Yield Curve Effect" into your entire portfolio.**

	100TI	80-20TISI	100HFOF	80-20HFSI	100SI
1998	19.94%	48.66%	0.70%	31.16%	158.00%
1999	35.42%	38.24%	34.51%	38.22%	43.56%
2000	-11.39%	5.18%	17.40%	24.49%	34.40%
2001	1.76%	1.00%	3.51%	1.89%	0.03%
2002	-19.15%	-7.18%	5.86%	6.36%	7.02%
2003	31.37%	18.16%	15.68%	10.17%	2.74%
2004	9.80%	6.72%	3.93%	3.51%	2.52%
2005	5.96%	9.96%	7.82%	10.61%	14.25%
2006	1.80%	4.64%	1.82%	4.36%	7.52%
2007					
<b>Total Return</b>	<b>75.51%</b>	<b>125.38%</b>	<b>75.51%</b>	<b>75.51%</b>	<b>270.05%</b>

The table represents an equal weighted index the S&P 500, Lehman Bond Index, NASDAQ and Russell 2000. The Hedge Fund of Fund is from Hedge Funds.net web site. Sanctity Index is an equally weighted value of three trading advisors. 20% was taken from the Traditional Index and reallocated to the Sanctity Index. Then 20% from Hedge Funds reallocated to Sanctity. Traditional Indexes are before any cost the Sanctity Index is after commissions and advisor fees.

A detailed traditional foundation on professional management can be directly accessed from the United States Commodity Exchanges. Please see [www.sanctity.com/library.html](http://www.sanctity.com/library.html)

### 3. How Do Managed Futures Work Relative to Stocks and Bonds?

Similar to stocks and bonds there are several choices of participation. You can directly access each commodity through a broker and trade it yourself. You can engage the services of a trading advisor and participate in a managed account. Or a similar to a mutual fund, your money is pooled with other people in a limited partnership structure. In the United States Limited Partnerships are built and offered by registered Commodity Pool Operators. (CPO's) These people are called General Partners and manage all the business affairs of each limited partnership that they sponsor. If a partnership is too large, or an institutional client has more

comfort, the Commodity Pool Operator may request the General Partner services of a major institution. Large is any partnership over \$30 million. The General Partner assumes all risk above and beyond each limited partners capital contribution. As described above the entire partnership is cleared with major institutions. Unless the partnership is offshore, limited partnerships are regulated by both Futures regulations originated by the Federal Government and United States Federal and State Securities and State Law.

All registered Commodity Pool Operators and Trading Advisors including professional biographies are public information and can be located through the National Futures Association. United States regulations only permit business to be conducted with registered industry participants.

National Futures Association - [www.nfa.futures.org](http://www.nfa.futures.org)  
Commodity Futures Trading Commission – [www.cftc.gov](http://www.cftc.gov)  
Securities Exchange Commission – [www.sec.gov](http://www.sec.gov)

Before any investment can be made potential partners receive a disclosure document. Disclosure Documents detail

- The risks;
- Investment strategies used by each advisor hired by the General Partner to manage partnership assets;
- Policies and risk management strategies used by the General Partner to manage the affairs of the partnership;
- The clearing firm;
- The bank used for partnership business accounts;
- Costs to the partnership;
- Capital needed to break escrow (start trading);
- Terms for redemption of partnership interests and dissolution of the partnership.
- Past performance;
- The people involved and subscription forms.
- Last but not most important a complete risk management process created by SafeMoneyMetrics™ <http://www.safemoneymetrics.com>

Disclosure documents are reviewed by the National Futures Association and regulated by both the National Futures Association and the Commodity Futures Trading Commission. Any inaccuracies are brought to the attention of the General Partner by the regulators and adjusted before the Disclosure Document can be offered to investors. By law they are updated every nine months, with performance available under separate cover updated monthly.

To invest subscription forms are completed and checks for investment are made payable directly to the limited partnership. The General Partner has the right to approve of all limited partners. It is called suitability standards. Some people are more emotionally or financially suitable than others for high leveraged investments. Money is held in a partnership bank account until the partnership has enough funds

to begin trading. Once the partnership starts trading, partnership business affairs including daily risk management are administered by the General Partners.

Limited partners receive monthly statements detailing the partnership's gross profit or loss, expenses and open trade equity. Partners also receive their current investment value after profits losses and expenses are pro-rated to each limited partner's account.

Limited partners can usually redeem their partnership interests at the end of any month with 15 days prior written notice to the General Partner.

### **A Limited Partnership / or Limited Liability Company (LLC) are the Only Investment Structures that Offer Limited Risk**

#### 4. What are the Risks and How Should We manage them?

Maximum risk to each limited partner is limited to the investor's total capital contribution, plus all distributions paid back. Although total investment loss is highly unlikely it must still be disclosed that total investment loss is possible. We believe that if investors understand the extreme downside they can choose and live with the investment through any market condition with no fear of loss.

We teach people to answer several questions before investing in any high leveraged investment.

1. Where should the capital come from?
2. How much and for how long should be allocated?
3. What considerations should be made to determine capital committed?  
For example, age, time, temperament, and investment strategy etc.
4. How should I evaluate probabilities of the composite?
5. How should the allocation TO ANY alternative be allocated WITHIN the investment?
- 6. Opportunity loss after the money is re allocated.\*\*\*\***
7. Risk analysis and time to rebuild the portfolio back to its current value net of the allocation.
8. Consider other possible alternatives (risk/reward, liquidity, time value etc).
9. How to maximize, monitor & balance the alternative strategy.
10. Value and risk of the alternative investment when integrated into the composite.
11. Prudent evaluation of past performance\*\*\*\*\*
12. Define parameters for specific action under variable market scenarios.
13. Look at your beliefs and intentions relative to your strategy.

Let's briefly review descriptions for each question listed above.

1. Review all of your investments and look for current allocations that are likely to produce the lowest return with the highest risk. That is the money that can probably be considered for reallocation. (The composite investment structure needs to be evaluated). Only use capital that you can comfortably live without. Capital taken from the stock market is also a good choice

because there is probably more risk that what can be developed by integrating managed futures.

2. Start with a 12 to 18 month commitment with the least amount of capital needed. The investment should earn your trust in the first year to 18 months. It will also take that amount of time to get comfortable with how high leveraged investments work.
3. The closer you are to retirement age should equal the least amount of capital committed to ANY investment using high leverage. After considering your emotional nature, the more time you have could be used as a reason to commit more capital.
4. Sanctity correlates composite strategies and degrees of leverage. Investors need to determine their personal rational expectation relative to the risk they are willing to assume. The evaluation process is detailed and taught in our investment guides. <http://www.sanctity.com/guides.htm>
5. Allocations within the investment are determined by each investors risk tolerance and expectation. Sanctity uses SafeMoneyMetrics™ to allocate assets among advisors and monitor all risk daily. SafeMoneyMetrics™ maximizes potential return with the least amount of capital at risk and account volatility.
6. It's important to look at where the money is coming from and what will be the opportunity loss because that money is used elsewhere.
7. Assume all capital committed to the new investment is lost. Calculate how long it will take to rebuild your portfolio back to its original value without incurring any more risk. This is a magnificent way to emotionally and financial manage the maximum downside of managed futures investments. From that point everything can only be a pleasant surprise!
8. Carefully evaluate other alternatives to be sure you are optimizing potential return relative to probable risk. Also consider how managed futures can comfortably integrate with your composite portfolio.
9. – 12. The General Partner associated with Sanctity offer investors a due diligence questionnaire that details exactly how each advisor manages capital and what to expect. This risk management strategy defines how advisors act under specific market conditions. The intention is to eliminate negative surprises from the investment and give each investor substance they can refer to during difficult market circumstances.  
<http://www.sanctity.com/profiles.html> is an example
13. Take time to evaluate your beliefs relative to alternative investments. Our

investment guides promise to help you prevent ill-fated and unwanted losses and they are free. Read the content of each guide before you spend money. Every decision you make has an impact on your potential returns.

<http://www.sanctity.com/guides.html>

## 5. What are the Benefits?

It has been proven that managed futures can offset the risk of a traditional investment portfolio when that portfolio is invested in other risky assets such as stocks. Futures and Options have market movements and use capital differently than any other investment. This is also detailed in our Profit and Peace of Mind guide. Although each institution differs, many institutions allocate 2 or 3% of their pension funds into managed futures/options/currencies etc. They seek returns in the low teens and then integrate performance into their entire financial structure. When managed futures are in a negative performance mode, other aspects of the portfolio will be up and over the long term each component of the composite offsets weaknesses of its counterparts.

Retail investors or private retirement funds usually allocate higher percentages because their investment policies differ. Each market sector looks to managed futures for different purposes and benefits. Managed futures can be a superb addition to any retirement portfolio because there are no annual tax consequences. Reinvesting returns year after year has a dynamic effect on asset growth.

The Chicago Board of Trade has a traditional institutional marketing department. We suggest that people read the foundation of what it offers.

Chicago Board of Trade  
[www.cbot.com](http://www.cbot.com)

## 6. How does Sanctity Improve on Traditional Investment and Risk Management for High leveraged investments?

We work as a team with prominent professionals from the futures industry and sometimes academia. We bring SafeMoneyMetrics™ and 30 years of practical direct experience to the party. We have a “tendency” to use the services of financially independent advisors who have proprietary, exchange trading or hedging experience.

SafeMoneyMetrics™ is briefly described below and detailed in a guide to SafeMoneyMetrics™, located at <http://www.safemoneymetrics.com> and <http://www.sanctity.com>

SafeMoneyMetrics™ evolved from principles found in hedging. It is a direct approach to identifying, evaluating and monitoring capital at risk relative to the realized return and volatility of any investment that uses high leverage. It prevents ill-fated losses by revealing information that would otherwise remain concealed. SafeMoneyMetrics™ isolates a precise relationship between an investment's ability to manage open trade risk and how that translates into realized profits. SafeMoneyMetrics™ can be applied to variable time frames, markets and performance data including individual trade analysis.

SafeMoneyMetrics™ prevents substantial loss because it evaluates performance at the level of cause. It provides early warning of strategy imbalances relative to current market conditions. Fundamental analysis also provides accurate comparison of investments over a broad spectrum of strategies and market traded.

Consider a few facts:

- Past rate of return is the foremost element for evaluating investments. A decision to invest evolves from a statistical and analytical process that includes past rate of return data.
- How past rate of return is calculated has no relevance to the Capital at Risk used to produce the rate of return. This fundamental error is only one more CAUSE of poor decisions. **For example: For example:** Rate of return (ROR) is calculated using realized and unrealized profit and losses, interest income minus costs and the "nominal account size". The nominal account size is defined as "the account size agreed to by the client that establishes the level of trading in that program." With all due respect, how do performance calculations based on a nominal account size facilitate prudent evaluation of trading talent? Although advisors vary, many only use anywhere between 3% and 10% of the advisors required account size for trading. Also unrealized profits have no value to a client until they are realized and interest income is NOT a trading return earned from capital at risk.
- Past rate of return data also has no relevance to current reality and potential future results. We cannot rely on past rates of return to tell us the capital at risk or potential returns we face in the future. Nor does past rate of return give us insight into the stamina or mental acumen of our traders! The full moon has more value and influence! **For Example:** Past rate of return on a derivative investment is nothing more than a financial scorecard that measures human skill successfully applied within a specific situation. The situation that allowed success partially includes market condition, perceived "trade-setup" within the market condition relative to an ability to perceive and act effectively at that specific moment. That particular situation with all detail is forever gone and will never repeat itself.
- Remember it is only exceptional trading talent applied to a specific market condition that creates rate of returns for managed derivatives, nothing more or less. Evaluating human talent clearly requires different considerations than evaluating stock or bond returns.

- No one owns, nor will they ever own a portfolio of individual commodity futures as they would own a portfolio of individual stocks and bonds. There is no relevance to the comparison. Therefore any commodity indexes, especially indexes of managed futures investments, used as Benchmarks and applied to evaluating managed derivatives should be selectively considered.
- Contrary to emerging “beliefs” managed futures are NOT a hedge and DO require strict risk management supervision.
- The infamous Standard Deviation, also calculated using past rate of return only measures volatility of past return. Volatility is easily manipulated by account size and is dramatically influenced by unrealized trading returns. Both account size and unrealized returns have no relationship to capital at risk relative to realized returns. Also larger accounts usually have less volatility, which is a function of account size NOT trading talent.

**Questions to ask are:** How do larger accounts equate with evaluating trading talent? How does a nominal account size relate to evaluating trading talent? Who decided that big is good?

SafeMoneyMetrics™ focuses on the analysis of variables that are directly meaningful and consistent in current reality. Because it only measures and analyzes real risk relative to real return it produces cleaner data and a more accurate look at forces that effect investment returns. Returns are a scorecard or results of a good strategy. SafeMoneyMetrics™ focuses on risk management at the causal level. When we eliminate the cause of a negative event, the event ceases to exist.

SafeMoneyMetrics™ always evaluates percentages or ratios. The ratio or percentage basically includes what is or was the opportunity cost and what did we receive? Or what is the cost, how high is the risk relative to what can potentially be received and what we finally realized. (Volatility of open trade risk into realized returns). SafeMoneyMetrics™ can evaluate every event or trade within a strategy. It always evaluates an ability to manage open trade risk relative to realized profits. It does this by constantly correlating two basic ratios over variable time frames. Time frames are chosen relative to design of the strategy being evaluated.

For example: if two composite ratios widen whereas the realized ratio is declining in value and the volatility ratio is increasing - that indicates that the efficiency of the strategy relative to current market conditions is weakening. Analysis is extended into each market or component of the investment to see where the weakness is under current market conditions. Models are available at <http://www.safemoneymetrics.com>

Traders have choices with SafeMoneyMetrics™ if ratios are too low or high in one market they can easily adjust an allocation to that market. If traders can quantify WHY they decided to take a trade SafeMoneyMetrics™ becomes a superb system for evaluating the quality of every decision under current market conditions relative

to the optimum of what 'should be'. We call what should be a trader's internal benchmark. Traders have instant feedback and can continually update and maintain the quality of a strategy under current market conditions. SafeMoneyMetrics™ then becomes an exceptional method of research.

Too many systems fail because they "expect the markets to be what they once were," this goes against all of nature. Nature teaches us that all life constantly changes and ends in death of the current form. That's exactly what happens to investment strategies only with client money under management! SafeMoneyMetrics™ can provide early warnings because it evaluates an investment relative to current market conditions!

The Cause of all life and life's eternal support system is Spirit. Spirit is eternal – It perpetually creates new forms to express Itself.

## 7. How Do Distributors of Sanctity Services Benefit?

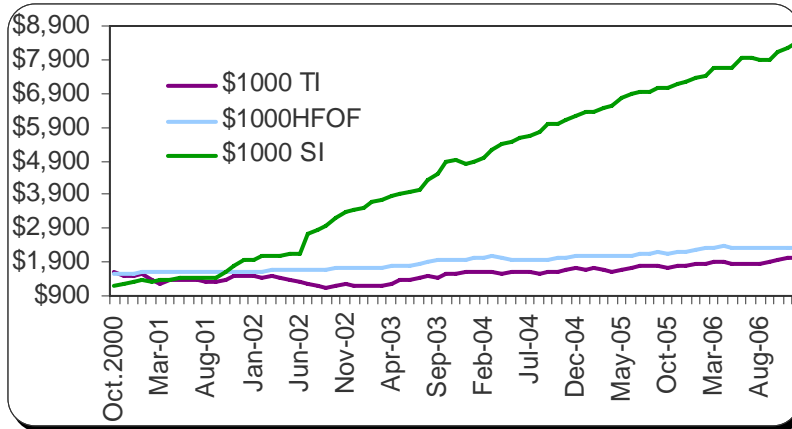
All national and international distributors of Sanctity must be registered according to the laws of their country. Sanctity Capital Management will do their best to co-develop marketing, education and investments that prudently educate and support the international marketplace. Institutions are compensated as a percentage of assets under management for the life of all accounts under management.

All services offered through the Always SafeMoney Affiliate Program are registration exempt. Commissions are 20% of gross revenue. Service and revenue profiles are located at <http://www.safemoneymetrics.com/affiliate.html> The Affiliate Program can be especially profitable for national and international investment and financial media, commodity exchanges and trade associations, futures commission merchants, commodity trading advisors and pool operators, hedge funds using or considering managed futures, free lance writers, broker-dealers, independent advisors and financial service professionals involved with asset management.

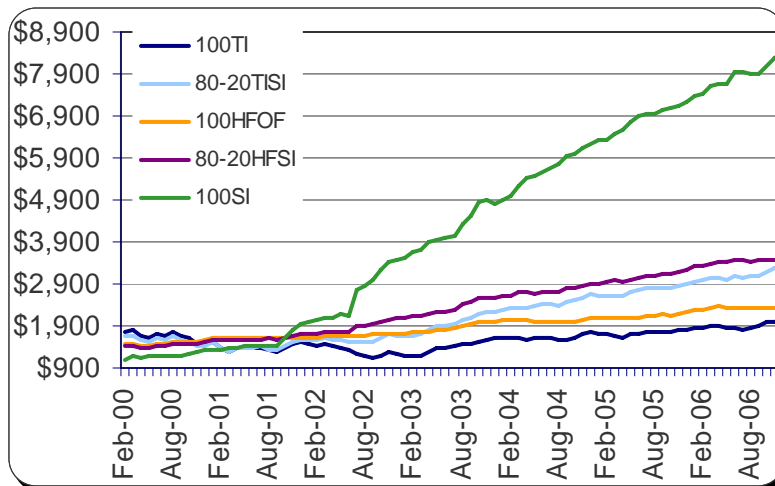
## 8. A Reallocation and Investment Correlation Model

Investment Models are included for educational purposes. They are NOT to be construed as any indication that an investment will perform as demonstrated. Investment can be completed after reading the appropriate disclosure document.

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The Graph above represents the Value of \$1000 Units of the Traditional, Hedge Fund and Sanctity Indices as described above. Its ONLY purpose is to demonstrate how each indexes movement is independent of the other.



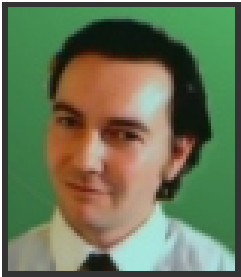
The 80-20% graph above represents 100% allocated to a Traditional, Hedge Fund of Funds and Sanctity Managed Futures Index. 20% was then reallocated from the Traditional and Hedge Fund Indices to Managed Futures. Data details of this graph are demonstrated in the table on page 3.

## 10. Who Are the People of Sanctity Capital Management?



**Marlee-Jo Jacobson** is founder of Sanctity Capital Management, SafeMoneyMetrics™ its philosophy and practical application and Always SafeMoney. Marlee-Jo is second generation in futures & was an active trading member of the New York Mercantile Exchange through 1980 & non-trading member until 1988. From 1970 until 1980 she designed hedge strategies & managed discretionary accounts. From 1980 to 1984 Ms. Jacobson was an account executive at Merrill Lynch specializing in clearing services for Commodity Trading Advisors, Pool Operators and Broker-Dealers building key accounts of over \$5 million. MJ has attended the New York Institute of Finance, New York University and the Institute of Neurolinguistic Programming.

**Value:** MJ is responsible for business development, risk and investment management.



**Christian Ramsey** is founder of [www.AdvisorPage.Com](http://www.AdvisorPage.Com) , a web business dedicated to tracking resources and developments within the financial services industry. Mr. Ramsey is a licensed Securities Broker with over 9 years between Wells Fargo Securities, Securities America and Foothill Securities and QA3 Securities. He has also functioned as a inside wholesaler for a local Sacramento, California RIA for approximately six years and as an outside wholesaler for a national third party money manager for 2 years. Currently Mr. Ramsey is an Independent Financial and Estate Planner and a Registered Investment Advisor.

**Value:** Mr. Ramsey is responsible for developing the SafeMoneyMetrics™ On-Line Advisor Analysis, the Affiliate Program and distributing services to the independent advisor community. He is also partially responsible for electronic marketing to the traditional financial services community and partial technology support. Christian (PST) 916-233-6010

A regulated professional history is in the Sanctity Disclosure Document  
<http://www.sanctity.com>

## 10. Terms and Definitions

**Commodity Futures Trading Commission:** (CFTC) the government agency which is responsible for regulating commodity and derivative futures trading and all persons and organizations that do business as futures professionals. [www.cftc.gov](http://www.cftc.gov) search for exemptions and exemption forms.

**National Futures Association:** (NFA) an association of futures professionals organized to assure, through self regulation, standards of professional conduct and financial responsibility on part of individuals and organizations that are its members. Membership is mandatory not optional. You can call the NFA to check any professional reference. 800-621-3570. Both the NFA & CFTC have client brochures available. They are simple but designed to protect you against fraud. [www.nfa.futures.org](http://www.nfa.futures.org). – forms you'll find all the exemptions.

**Commodity Trading Advisor:** (CTA) any person who, for compensation or profit, directly or indirectly advises others as to the value of or the advisability of buying or selling futures contracts or options on futures contracts. Providing advice indirectly includes exercising trading authority over a customer account as well as giving advice through written publications or other media. Receiving any or all of the following usually compensates trading Advisors that directly manage funds: Management fees, commissions, and or a percentage of trading profits. Trading Advisors are to futures as Investment Advisors are to equities. Trading Advisors must be registered with the CFTC and the NFA.

**Commodity Pool Operator:** (CPO) any person or organization acting as general partner, that operates or solicits funds for a commodity pool (limited partnership). Registration with NFA and CFTC is mandatory. Compensation may consist of management fees, commissions or interest earned in the account.

**Introducing Broker:** (IB) a person or organization that accept orders for futures or option contracts but does not accept money or other assets from customers to support such orders. IBs clear through Futures Commission Merchants.

**Futures Commission Merchant:** (FCM) a person or organization which does both of the following (1) accepts money or other assets from customers to support such orders (2) accepts orders to buy or sell futures and options. They are registered with the CFTC and NFA. There are clearing member and non-clearing categories of an FCM. Clearing refers to members of principal commodity exchanges. Clearing firms are usually associated with lower costs because of direct exchange access.

**Disclosure Document:** the document which describes a CTA's or a CPO's investment program as required by the CFTC and NFA.

**Composite Account:** is the combining of all assets managed by a particular CTA or CPO (as if they were managing one large account) for the purpose of calculating

performance data. The CFTC and NFA require this.

**Value Added Monthly Index:** (VAMI) is a term CTA's use when reporting monthly returns. They begin with a hypothetical initial value of \$1000. This value is increased or decreased each month according to the percentage changes in the composite account. This method is suggested, but not required by the CFTC and NFA. There are two methods of calculation arithmetic and geometric. Geometric has less inherent distortions.

**Draw down:** The decline from peak to valley on a month end basis in VAMI reported by a CTA or CPO. Draw down is an approximation on how accounts have dropped in the past from a peak value and is an approximate measure of risk in an account managed by a particular CTA or CPO.

**Mean:** also known as the average, the mean is the sum of the value of all samples in a series divided by the total number of samples. The mean, or average monthly rate of return is measured for trading advisors that are monitored.

**Sterling Ratio:** is computed by dividing a CTA's rate of return by their average draw down (during the last three calendar years) plus 10%. It allows the comparison of different CTA's and CPOs even though they may have different strategies resulting in different levels of risk. High sterling ratios indicate relatively high rates of return per unit of risk as measured by draw down.

**Standard Deviation:** a measure of the deviation of values in a series from their mean or average. Standard deviation calculations provide an indicator of volatility and therefore, risk.

**Semi-Deviation:** a measure of downside risk. It is calculated in the same way as standard deviation except that it only looks for the observations that fall below the mean. Standard Deviation only tells you how volatile the historic record has been. What it does not tell you is whether this volatility has been on the positive or negative side. The semi-deviation figure will tell you this. 12

**Sharpe Ratio:** is computed by dividing a CTA's rate of return minus the rate of return available in risk free investments (US T-Bills), by the standard deviation of the CTA's gains and losses. The sharpe ratio, like the sterling ratio, allows the comparison of different CTAs or CPOs even though they may have different strategies and different levels of risk. High sharpe ratios indicate relatively high rates of return per unit of risk as measured by standard deviation.

**Calmar Ratio:** is computed by dividing a CTA's average annual rate of return by his largest cumulative draw down (during the last 36 months). Provides a monthly changing evaluation of CTA or CPO. This timely evaluation of a CTA can be used to indicate appropriate times to invest with an advisor. High Calmar ratios indicate relatively high rates of return per unit of risk as measured by draw down.

**Reward to Variability Ratio:** is calculated by dividing the average monthly return

for an investment by the standard deviation of the same time frame. (The most recent 36 months of data are used, except for programs with less than 36 months of history). This is another statistic that attempts to measure the amount of return received per unit of risk (volatility). As such, the reward to variability ratio is a good complement to the Calmar ratio.

The End

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## Related Sites and Services

### SafeMoneyMetrics™

<http://www.safemoneymetrics.com>

A risk and investment management service that optimizes potential returns in managed futures by revealing information that can prevent ill-fated losses. Mini courses, articles, rankings, indexes, editorial content, investment guides.

### Advisor Analysis

<http://analysis.safemoneymetrics.com>

SafeMoneyMetrics™ Advisor Analysis is an interactive on-line risk management service that optimizes potential returns in managed futures by revealing information that can prevent ill-fated losses. It is useful to investors, investment professionals, hedge funds and institutions.

### CTA-Reports

<http://cta-reports.safemoneymetrics.com>

Our gift to the managed futures marketplace.

### AdvisorPage

<http://www.advisorpage.com>

Creative intelligence for registered investment advisors.

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Feel FREE to pass this guide to everyone that you think can benefit. Included are independent financial advisors, broker- dealers, and futures industry people. You can financially benefit from referring this information to others, by joining the Always SafeMoney affiliate program. Please leave all links, service tags and contact information as is.

Contact: Marlee-Jo Jacobson 212-777-3862 [mj@sanctity.com](mailto:mj@sanctity.com)

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