

# SafeMoneyMetrics™

“Your Direct Risk Management Solution for Managed Futures”

## Risk Management / Consulting Agreement February 2006

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### Instructions

Print pages 2 through 6 to complete the agreement. To return the completed document to us; you can fax, scan and email or use regular mail.

Marlee-Jo Jacobson [mj@safemoneymetrics.com](mailto:mj@safemoneymetrics.com)  
(EST) 212-777-3862 **OR**

Keep the definitions and demonstrations (Pgs 7-12) in a new SafeMoneyMetrics™ computer folder, where electronic SMM™ reports are also filed.

This agreement is used for all stand alone SafeMoneyMetrics (SMM) Risk Management services and private label multi-advisor analysis. If SMM is used with our Trading Manager or Business Development Services, the Sanctity Capital Management Disclosure Document is the required agreement. It can be found at [www.sanctity.com](http://www.sanctity.com) Disclosure Document



SafeMoneyMetrics™

20 East 9<sup>th</sup> St Suite 15A, New York City, N.Y. 10003-5944  
212-777-3862 [info@safemoneymetrics.com](mailto:info@safemoneymetrics.com)

## RISK MANAGEMENT /OR CONSULTING AGREEMENT

This Account Was Referred By:				
Name	Telephone	E-Mail	Affiliate Code	Referral Code

This Risk Management \_\_\_\_\_ and/or Consulting \_\_\_\_\_ Agreement is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between SafeMoneyMetrics™ LLC located at 20 East 9<sup>th</sup> Street suite 15A, New York City, N.Y. 10003-5944 and \_\_\_\_\_ ("Client").

WHEREAS, the Client wishes to retain the SafeMoneyMetrics™ Risk Management and/or Consulting services. The Client has a managed futures account at \_\_\_\_\_ (**Indicate name of FCM here**) ("Broker") freely chosen by the Client. The Client acknowledges receiving, reading, and understanding the **SMM Definitions Dated March 2005 attached to this agreement.**

NOW THEREFORE, the parties agree as follows:

THIS AGREEMENT IS ENTERED INTO BASED UPON THE FOLLOWING REPRESENTATIONS:

The Client represents that he has speculative capital for the principal purpose of investing in futures and options on futures contracts and has been informed and is fully cognizant of the possible high risks associated with such investments. Or if these services are consulting, the client is cognizant of the risks involved with managed futures and option investments.

Services Requested Are – Please Check One or More	
SafeMoneyMetrics™ / Risk Management	
Monthly Reporting	
Weekly Reporting	
Daily Reporting	
Project Management - Consulting	
Optimized Multi-Advisor Analysis	
Other (Describe)	

IT IS MUTUALLY AGREED THAT:

1. a monthly management fee of \_\_\_\_\_% of the Nominal Account Value, billed at the beginning of the following (Month)\_\_\_\_\_. The Client entered into a managed account agreement with (CTA's or Trading Manager" \_\_\_\_\_, for a "Nominal Account Value" of:

\_\_\_\_\_. ("Nominal Account Value" is defined as the account size agreed to by the client that establishes the level of trading in a program.)

2. The Client shall deposit with a Futures Commission Merchant ("FCM"), hereinafter called the "Broker," actual funds and/or securities in the amount of \$\_\_\_\_\_. "Actual Funds" is defined as equity in the account plus funds that can be transferred to the account without the client's consent to each transfer (known in the industry as "committed funds").

3. Unless otherwise agreed to, SafeMoneyMetrics™ as compensation for Risk Management and/or Consulting Services, will charge an annual management fee of \_\_\_\_\_% calculated as

Nominal Account Value is the total of Gross Ending Equity plus all Notional Funds plus any withdrawals made during the month. Included is the current market value of securities, plus net realized and unrealized profit or loss on open positions. Net of each Trading Advisor's management and incentive fees billed to the account for that period. Including accrued interest income earned on securities (securities deposited or purchased by the Client for margin purposes and purchased by the advisor or

broker for the Client) and the equity in the Client's account (Not all FCM's pay interest on equity on the Client's Value). Minus accrued commissions on open futures positions, minus other accrued expenses (e.g. prior month's management and incentive fees not yet paid). Risk Management fees are charged regardless of the profitability in the Client's account. Any withdrawals or additions made during the month shall be added back or subtracted on a pro-rated basis in order to calculate the management fee

On a partially funded account or account using increased leverage; the management fee as stated in the previous paragraph is based on the Nominal Account Value of the client's account.

To determine the management fee based on actual cash, compute the management fee based on the nominal account size and divide by the actual funds. For example: Assume a \$4,000,000 nominal account is funded with \$1,000,000. The client chooses daily reporting at a 1% annual management fee. 1% multiplied by \$4,000,000 is \$40,000 annually. \$40,000 divided by \$1,000,000 is 4% annually.

Clients using or considering partially funded accounts or increased leverage need to perform the calculations above with their own anticipated nominal and actual cash account values. Taken one step further, these values need to be constructively integrated into the SafeMoneyMetrics™ Analysis which includes costs relative to the Net and Funding Level Ratios. See <http://analysis.safemoneymetrics.com>

Net Composite Trading Profits shall mean the total cumulative NET profits of all sub accounts managed within a composite portfolio during a period; over and above the aggregate of previous profit period as of the end of any period. Trading Profits shall include: (I) the net of profits and losses resulting from all trades closed out during the period. (ii) The change in unrealized profit or loss on open trades as of the close of the Period, and. (iii) the amount of interest and other investment income earned, not necessarily received, during the Period, minus: (i) the Trading Advisor's accrued management and incentive fees. (ii) Change in accrued commissions on open trades as of the close of the Period.

SMM™ Risk Management fees are charged regardless of account profitability. Any withdrawals or additions made during the month shall be added back or subtracted on a pro-rated basis in order to calculate the Risk Management fee.

4. The SafeMoneyMetrics™ frequency of reporting is (check one):  
Monthly: \_\_\_\_\_. Weekly: \_\_\_\_\_. Daily: \_\_\_\_\_. Other: \_\_\_\_\_.

5. SafeMoneyMetrics™ agrees to send reports to the client. If requested by the client, these reports can be duplicated to the broker. Content of reports is defined by the SMM-Definitions document attached to this agreement.

6. In lieu of fees described in paragraphs 1-3 on page 2 of this agreement; as a Consultant for services rendered, SMM will charge a consulting fee of \$\_\_\_\_\_ calculated as a monthly management fee of \$\_\_\_\_\_ billed at the beginning of each month \$\_\_\_\_\_.

With client consent, fees are billed by SafeMoneyMetric™. Billing is sent directly to the Broker, to be paid out of the Client's account only if the client has properly executed a Fee Payment Authorization. In the event the Client does not execute a Fee Payment Authorization, the bill will be sent directly to the Client for payment. If the Client pays fees from sources outside the trading account, payment must be made payable to "SafeMoneyMetrics™" (SMM). SMM reserves the right to share any portion of these fees with third parties in accordance with regulatory and industry standards.

The Client expressly agrees that any such fees due SafeMoneyMetrics™ shall survive the termination or other expiration of this agreement.

7. SafeMoneyMetrics™ will seek to improve profitability in the client's account according to strategies defined by SMM™ and the client.

8. The Client may withdraw capital from the Account at any time. The Client shall promptly notify SafeMoneyMetrics™, by telephone, fax, or e-mail of any such withdrawal, and shall, to the

extent feasible, give SMM™ advance written notice of such withdrawal. The Client may add capital to the Account at any time, and shall promptly notify SMM™ of any such intended action.

9. This Agreement shall remain in effect until terminated by the receipt of written notice of either party to the other. SMM™ or the Client may terminate this Agreement for any reason upon written notice. Upon termination of this agreement, SMM™ will calculate fees owed to it by the client and remit completed calculations to the FCM for payment. The client is responsible for all unpaid fees to SMM™.

10. SMM™ makes no guarantee that any of its services will result in added profitability to the Client. The Client has discussed the risks of managed futures and understands those risks. The Client assumes the responsibility of losses that may be incurred.

11. The Client agrees to authorize payments from the Client's Account to SafeMoneyMetrics™ in compensation for services as set forth in this agreement. If any action is needed by SMM to compel payment of fees, the Client shall pay SMM™ reasonable costs of collection (including reasonable attorneys' fees) if the outcome of the action is in favor of SMM.

Accounts will be billed five days after clients are sent electronic bills. If a client does not respond electronically with any corrections within five business days from the date bills were sent, billing is then sent directly to the Broker, for immediate payment out of the Client's account if the client has properly executed a Fee Payment Authorization.

SafeMoneyMetrics™ is required to deliver monthly or quarterly billing statements to the FCM for prompt payment. SMM™ uses electronic communication as a cost effective method of communicating. There is no charge for electronic delivery and the client has a right to request hard copy receipt of all advisor bills. The Client expressly agrees that any such fees due SMM™ shall survive the termination or other expiration of this agreement.

12. The Client agrees to promptly review all Account statements from the Clearing Broker, and any statements that may be sent to the Client by SafeMoneyMetrics™. Statements are binding on the Client unless prompt written or verbal objection from the Client is received.

13. SMM™ will not be liable to the Client or to others except by reason of acts constituting willful malfeasance or gross negligence as to its duties herein, and disclaims any liability for human or machine errors related account activities.

14. In the event that any provisions of this Agreement are invalid for any reason whatsoever, all other conditions and provisions of the Agreement shall, nevertheless, remain in full force and effect.

15. By depositing funds with the Clearing Broker, the Client acknowledges and accepts the propriety of the SafeMoneyMetrics™ Risk Management Strategy and their suitability to absorb the economic risk of potential loss related to managed futures accounts.

16. Either party, upon agreement of both parties in writing may assign this Agreement. The Agreement shall inure to the benefit of the parties hereto and the respective successors and assigns.

17. IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

**18.**

By: SafeMoneyMetrics™	Date:
Print Name:	Signature:
FOR ENTITY CLIENTS	FOR INDIVIDUAL /JOINT ACCOUNTS.
Name	Name
By (Print Name)	Signature
Title:	Second Name
Authorized Signatory	Signature
Date	Date

# SafeMoneyMetrics™

20 East 9<sup>th</sup> Street 15A, New York, N.Y. 10003-5944, 212-777-3862

## **AUTHORIZATION TO PAY FEES**

<u>Date</u>	<u>Futures Commission Merchant</u>	<u>Address</u>
	<u>Contact Person</u> <u>Telephone</u>	<u>e-mail</u>

The undersigned Client(s) ("Client") hereby authorizes the Futures Commission Merchant ("FCM") named above to withdraw from the Client account with the FCM and remit directly to SafeMoneyMetrics™ immediately upon receipt of a bill from SafeMoneyMetrics™.

- 1) A monthly: \_\_\_\_\_ or quarterly: \_\_\_\_\_ management fee of \_\_\_\_\_%.  
 Management fees are of the net assets in the account (as described in the Advisory Agreement executed between the Client and SafeMoneyMetrics™) at the end of each calendar month.

Management fees shall become due and owing to SafeMoneyMetrics™ under the terms and conditions of this Advisory Agreement and Authorization between SafeMoneyMetrics™ and Client.

The undersigned acknowledges and agrees that SMM™ is solely responsible for the computation and accounting of their Fees. The Client acknowledges his/her ongoing responsibility to review regularly all customer account records and statements received from the FCM. Such records generally will be conclusive and binding on Client unless prompt written objection from Client is received by the FCM, the Trading Advisor, or Trading Manager as the case may be. Upon ten- (10) business days written request, stating the purpose thereof, SMM will provide to the Client, the computation and accounting of its Fees.

This authorization will continue in effect until you have received written notice from the Client terminating it. Such notice will be mailed or delivered to SafeMoneyMetrics™ and to the account executive handling this account.

By: SafeMoneyMetrics™		Date:
Print Name:	Signature:	
FOR ENTITY CLIENTS		FOR INDIVIDUAL /JOINT ACCOUNTS.
Name	Name	
By (Print Name)	Signature	
Title:	Second Name	
Authorized Signatory	Signature	
Date	Date	

### **DUPLICATE STATEMENTS TO:**

The undersigned hereby requests you to send duplicate statements to the names listed below.

Daily & Monthly Statements		Monthly Statements Only

# SafeMoneyMetrics™ Optimized Multi-Advisor Analysis Order Form

Remember you can register as a partner if you are also marketing these services. Thanks MJJ 212-777-3862  
<http://www.safemoneymetrics.com/affiliate.html>

Each initial analysis is \$250 for up to five advisors. You can pay by check or credit card. To pay by check, complete this form and follow the mailing instructions at the bottom of this page.

To pay by credit card, complete the on-line version at:  
 Follow the payment instructions.

Each analysis requires a separate list of advisors – use this form and circle the number related to the analysis being selected.

Referred by:		Your Affiliate #:
Name:		
Firm (If Applicable):		
Mailing Address:		
City:	State:	Zip:
Country:		
Telephone#:	Email:	
Site Name:		
Site URL: <a href="http://www.">http://www.</a>		
Professional Designation:		

List the company and program name for each advisor included in the analysis

Client Name Used Above:	Analysis # 1	Analysis # 2	Analysis # 3	Analysis #4	Analysis #5
1. Company:					
Program:					
2. Company:					
Program:					
3. Company:					
Program:					
4. Company:					
Program:					
5. Company:					
Program:					

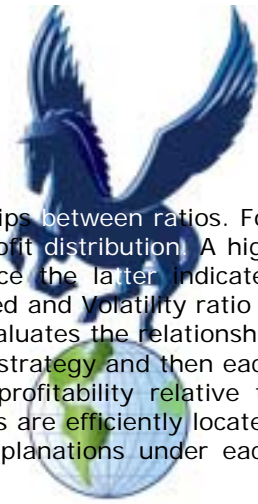
Pay by Check: ( )      Credit Card: ( )

Make checks payable to SafeMoneyMetrics™ and mail with a copy of this page to:  
 MJ Jacobson  
 SafeMoneyMetrics 20 East 9<sup>th</sup> Street Suite 15A, New York City, N.Y. 10003-5944

# SafeMoneyMetrics™

"Your Direct Risk Management Solution for Managed Futures"

## Explanations, Definitions and Presentation Information



Performance trends and potential actions are defined by quantifying relationships between ratios. For example: A high realized ratio relative to a low volatility ratio might signal profit distribution. A high volatility ratio and low realized can also indicate profit taking however since the latter indicates increased risk - there are other considerations. Differences between the Realized and Volatility ratio is defined by the RVR Internal Benchmark described below. SafeMoneyMetrics evaluates the relationship between ratios for the composite strategy, each advisor within a multi-advisor strategy and then each market traded by each advisor. Imbalances are fundamentally defined as profitability relative to volatility, leverage and correlation under current market conditions. Imbalances are efficiently located at the level of cause so catastrophic losses can be prevented. Read the explanations under each graphic in the presentation.

SafeMoneyMetrics™ always monitors ratios in relationship to each other. Nothing lives isolation. For example: Evaluating realized returns relative to account volatility and capital at risk used to produce those returns, has more value than evaluating an isolated return. Analyzing trends in the Net relative to Funding Level Ratio offers insight into the risk of leverage used under current market conditions.

If an investment trades many markets prudent diversification only exists if "returns" produced by each market constructively correlate with each other. When a multi-advisor strategy is used, we require a constructive correlation between each advisor and then between each market traded by each advisor. The most important aspect of SafeMoneyMetrics™ is that the "Benchmark" is always INTERNAL or part of the investment rather than external to it.

Universal Laws - Every form created from the beginning of time is self-complete – It's just how God creates! Do you ever see a tree comparing it self to another tree so it "knows" how its doing? Do you see flowers in a field competing for air space – better yet do you ever see flowers taking petals or leaves from each other so they have more and the other flowers have less? The ocean tides and air simply flow, everything is part of and supported by God' in God's universe – life flows all self-complete and will be this way for eternity! The Standards for Advisor Evaluation investment guide is FREE. It details how and why we apply Universal Truth and Law to investment analysis. You can download it at [www.safemoneymetrics.com](http://www.safemoneymetrics.com)

### Fundamental Weaknesses of SafeMoneyMetrics™:

If the Capital at Risk value is erroneous SafeMoneyMetrics™ will produce invalid results. When analyzing monthly data or any composite time frame, capital used to produce a specific result was NOT at risk all at the same time. When SMM is applied to every trade or composite daily data, this weakness does not exist.

## Definitions

**1. Capital at Risk (CAR):** A formula that represents only capital used to produce a return. NOT the account size an advisor asks for or the funding level. CAR is the foundation for all ratios. The formula is adapted for different situations. Possibilities are numerous and limited only to the creativity of the analyst. Two examples are actual margin requirements for each trade, or when evaluating monthly data the advisors maximum margin. CAR is also used to evaluate capital waste built into the investment. For example - assume we are evaluating two advisors each having a \$1M required account size. The advisor using the least amount of capital at risk to produce the highest realized return relative to the lowest volatility would probably be a better choice. (Highest RVR)

**2. Realized Ratio (RR):** Realized profitability relative to real capital used to produce the return. (Net Realized Profits/Capital at Risk Formula.)

**3. Volatility Ratio (VR):** Evaluates fluctuations of open trade positions relative to capital required to maintain the position. Wide fluctuations in the VR indicate increased account volatility. Increased volatility may or may NOT indicate increased risk. (Open Trade Equity / Capital at Risk Formula.)

**4. Net Ratio (NR):** Is the composite value of realized and open trade equity on capital at risk. (Realized Ratio + or - Volatility Ratio/ Capital at Risk Formula).

**5. Funding Level Ratios (FLR):** The Net Ratio is calculated using a formula that represents an advisor's minimum funding level. Account stability is indicated when the FLR is consistently below the NR, especially when the difference is wide. Leverage is too high when the NR begins to fall into and below the FLR. Excessive account sizes hide volatility – management fees are paid on the entire account while using only 5 or 10% of total assets for trading.

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The Net and funding level ratios are also the foundation for the Monthly Advisor Rankings and Advisor Analysis. Both are used as part of the initial advisor selection process. See <http://www.safemoneymetrics.com/rank.htm>

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**6. Cost Ratio (CR):** Defined by a relationship between account costs relative to the Net or Funding Level Ratio. Traditionally costs are evaluated as a percent of the fully funded account value annualized. There is increased value for the information when costs are evaluated relative to return and capital at risk. For example - one of the industry's greatest traders had a 20% cost factor. People "perpetuate the assumption" that he needed to exceed a 20% before clients benefit.

This thinking is 100% inaccurate. The trader earned over 100% annually on the fully funded account using 25% margin (Capital at risk). Now we "see" that he earned 400% on capital at risk and his costs were 20% relative to the 400% or Net Ratio.

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Alternative Risk Management (ARM) is a non-traditional method of "thought". It reveals how to recognize, locate and correct the inaccurate beliefs inherent in all people. ARM manages risk at the level of cause. When the cause of loss is removed, the loss CANNOT EXIST. It's a glorious "awakening" that was integrated into our risk management strategy. The process can be applied to any area of life with unlimited upside as the benefit in that particular area. Investment guides offered at <http://www.sanctity.com> detail practical applications of ARM. Order our FREE Mini Courses first from <http://www.sanctity.com>

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**7. Billing Account Size (BAS):** Fully funded account size that the advisor "asks" for. We use this value in relationship to the volatility and realized ratios. WHY? Account size has no relevance to trading talent. Because clients pay management fees on the billing account size we needed a method of analyzing fees relative to investment quality.

**8. Traditional Rate of Return (TR):** SafeMoneyMetrics™ uses the TR relative to the Net Ratio and Funding Level Ratio for evaluating account stability at variable degrees of leverage. The TR is also used for traditional presentations. The monthly TR for each advisor or investment is taken directly from a thirteen-column track record. The Daily or Custom TR equals the realized profit or loss plus the unrealized account value net of transaction costs (before advisor fees) divided by Notional Assets.

**9. \*\*\*The Primary Benchmark:** Reward to Variability Ratio (SMRVR): Estimates the capability to produce realized profits with respect to managing the risk of open trades. Traditionally the RVR is calculated by dividing the Risk Premium (RP is a return above the risk free ROR) by the Standard Deviation (SD) of returns. Since SD measures volatility and RP risk premium the result is a risk/reward ratio. We divide the Realized Ratio by a St.Dev of the Volatility Ratio. (RR/SDVR) – A high RVR indicates a higher return relative to the amount of risk taken. For example Assume the RR =

23%, a SD of the VR for the same time frame is 30%, then 40% and 55%.  $23/30=0.76\%$ ,  $23/40=0.575\%$  and  $23/55=0.418\%$  - As the SD increases or RR decreases the RVR decreases. This ratio is expressed as one number and is applied to every aspect of analysis, including the comparison of investments. Time frames are variable.

**10. Asset Growth Relative to RVR:** If assets increase while returns decrease and/or volatility increases we should consider this with other indicators as a warning to decrease leverage/ reallocate assets or possibly replace the advisor.

**11. \*\*\*Secondary Benchmarks:** Coefficient of Variation: (CV): From statistics it measures absolute and relative dispersion. If the absolute dispersion is a standard deviation (S) and the average (A) is the mean, then the relative dispersion is call the coefficient. When the average is close to zero, the CV is not useful  $CV=S/A$  - The CV is used to monitor each ratio and compare advisors.

**Cost/MA:** Annual cost to the account relative to the Billing Account Size (BAS) accepted by the advisor.

**Cost/FLR:** Annual costs as a percentage of the annual return earned on cash used to fund the account.

**Cost/NR:** Annual costs as a percentage of annual returns earned on actual capital at risk.

**Billing Account Size (BA):** Also fully funded or notional. Account size accepted by the advisor (Management fees are calculated on this account size).

**Funding Level%:** Cash used to fund an account expressed as a percentage of the Billing Account Size.

**Margin Minimum%:** Margin used for trading expressed as a percent of the billing account size.

**Margin Funding%:** Margin used for trading expressed as a percent of actual cash funding an account.

**Max:** The best value of a ratio within the time frame specified.

**Min:** The worst value of a ratio.

**ST.Dev:** A Standard Deviation of all ratios within a time frame.

**RRCV-:** Avg Realized Ratio Coefficient of Variation of negative values.

**VRCV-:** Avg Volatility Ratio Coefficient of Variation of negative values.

**Time Frames:** Ratios and benchmark over specified time frames.

**Correlations:** The RVR for each advisor within a strategy and then markets within each advisor are correlated using appropriate time frames.

**Last:** Uses the presentation date to determine time frame of data in this column.

**51% Rule:** The number of data points used are determined by the strategy. The rule calculates the number of profitable data points within the time frame, the percent of profitable data points, average of profitable, average of losing, profit to loss ratio. For details go to [www.sanctity.com](http://www.sanctity.com) Monthly Articles #38 Traditional Risk Management and SafeMoneyMetrics™.

**Allocation and Leverage:** For Client Accounts. Shows what percent of the composite account was allocated to each advisor and at what degree of leverage.

**Graphics:** Time frames vary with strategy.

**51% Rule:** Average profit relative the percent of profitable periods during the time frame used. A comfortable North East slope is desirable!

**Correlations:** FLR Vami between markets for one advisor or between advisors within one strategy.

**Capital Account Values:** Capital Account Values can be formatted are the current value is always viewed in relationship to the starting value. If the current account value rises or falls below a specific percentage automated decisions are triggered. For Example: Take profits, add capital, leverage or de-leverage, change the advisor or strategy.

**\$1000 FLR Vami:** \$1000 = 100% Multi-Advisor strategies graph the original allocation to each advisor and the composite. We can see how performance correlates relative to each trader and to the composite.

**RVR to Funding Level Return:** Shows profitability relative to volatility.

**Realized (RR) Volatility (VR) and Net (NR) to Funding Level (FLR) All:** A relationship between the RR to VR and NR to FLR over a time frame useful to the strategy. Daily and/or monthly data is used.

**Asset Growth to RVR:** If the RVR decreases as assets increase the investment needs to be reevaluated.

**FLR/Traditional and Hedge Fund Index:** Correlates \$1000 Units of a Traditional Index, Hedge Fund of Funds Index and the Managed Futures Investment. The Traditional Index is equal value of the S&P 500, NASDAQ, Russell 2000 Growth and Lehman Bond Index. The Tuna Hedge Fund of Funds index is used. \*\*\*\*\*Clients or advisors can use their own traditional data so the composite strategy is personalized.

**Decision Statements:** Monitors a current RVR and ratios, relative to the Benchmark for each time frame. Client preferences dictate customized decision rules.

### Presentation Information Data Tables:

The actual presentation format is Excel. The following information was copied from the Excel format. Start and Current Account Value represents all capital in the account.

Client Name		Courtesy of:
Start Date:	4/30/2003	E-Mail:
Current Date:		Contact:
Total Data Points:	56	Telephone #:
Start Value	\$50,000	Current Account Value
		\$50,111

The allocation cells represent the percent of account capital allocated to each advisor within a multi-advisor strategy and degree of leverage used. The start and last columns represent the beginning and current value of capital allocated to each advisor.

Allocations	Start	Last
%toA1 100%	Leveraged at: 2:01	50K \$50,111
%toA2	Leveraged at:	
%toA3	Leveraged at:	
%toA4	Leveraged at:	
%toA5	Leveraged at:	

The table on the next page below represents all ratios defined over different time frames.

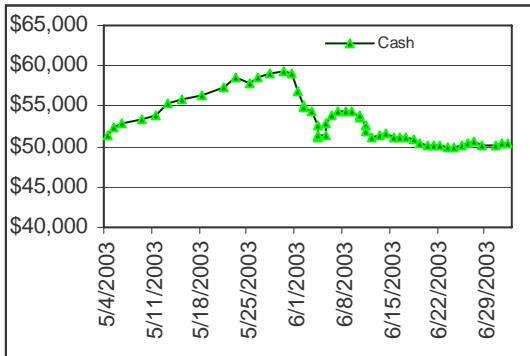
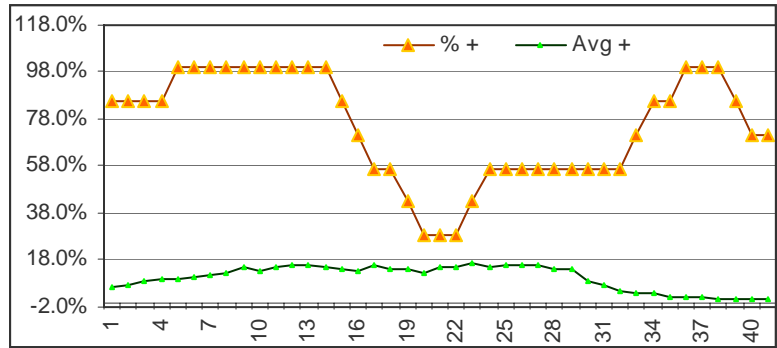
	7D	21D	28D	3Mo	6Mo	9Mo	12Mo
<b>RVRAvg</b>	1.05	1.00	0.84				
Max	10.52	3.36	1.50				
Min	-7.89	0.10	0.25				
StD	2.99	0.59	0.34				
Last	0.24	3.36	1.46				
<b>RR</b>	12.41%	12.14%	11.30%				
Last	20.82%	18.08%	13.80%				
<b>VR</b>	16.30%	11.89%	11.96%				
Last	7.36%	6.14%	3.36%				
<b>NR</b>	28.71%	24.04%	23.25%				
Last	28.19%	24.21%	17.16%				
<b>FLR</b>	5.70%	4.45%	4.68%				
Last	0.75%	0.64%	0.60%				

The decision cells are formatted after co-developing rules with each client. Examples of decision rules are: Remove profits, leverage up or de-leverage, re-allocate assets to another advisor, replace the advisor. The start and last account values allocated to each advisor are included in the decision rules.

Capital Account Decisions				Decisions	
Start	Max	Min	Today	%+	%-
\$50,000	\$63,670	\$46,087	\$50,111		
51%RuleComp7DataPoints Summary All				Decisions	
	%of +	Avg+	Avg-		
<b>StD</b>	22.7%	5.1%	2.2%		
<b>Avg</b>	74.9%	10.5%	-1.8%		
<b>Max</b>	100.0%	16.3%	0.0%		
<b>Min</b>	74.9%	10.5%	-1.8%		
<b>LastCell</b>	71.4%	1.7%	-3.1%		
<b>CV</b>	30.3%	48.8%	-121.2%		
Benchmark Decisions					

**The 51% Rule:  
7 Data Points All Data**

For every seven data points we graph the number of profitable data points and average profit for the same time frame. Data includes realized and unrealized trades calculated at the accounts minimum funding level. 51% of trades should be profitable and profits should exceed losses by at least 51%. Founder G.C. Jacobson.

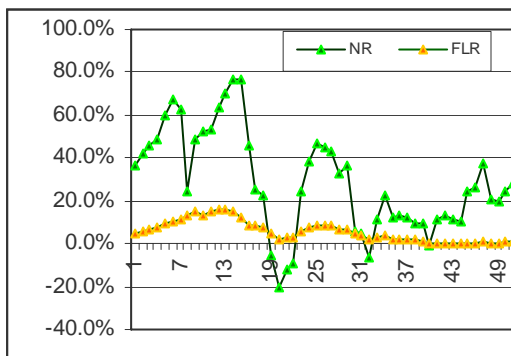
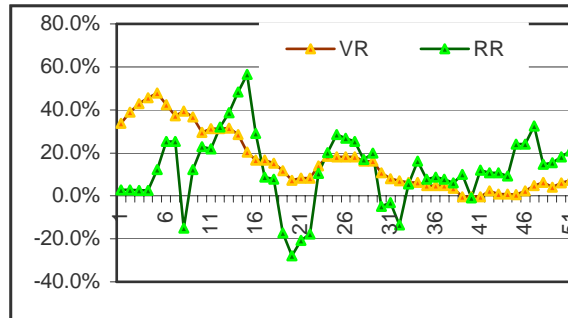


**Capital Account Value:**

To the left, a 7 data point average is used for the Capital Account Value that includes realized and unrealized return. Cash is net of commissions before advisor and SafeMoneyMetrics™ Fees. Time Frames are variable.

**Realized to Volatility Ratio: 7 Data Points All**

To your right, a high realized (RR) and low volatility ratio (VR) represents maximum profitability and comfort. You can request a change in time frames or that other charts be added to include different time frames.



**Net and Funding Level Ratio: 7 data points (Chart to the left)**

The Net Ratio should always remain well above the Funding Level (FLR). If the Net sharply declines or drops below the FLR on short-term time. IMMEDIATELY COMPARE TO LONGER TERM TIME - LEVERAGE MAY BE TOO HIGH

End of Demonstration Data

## Contact Information:

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## Related Sites and Services

### SafeMoneyMetrics™

<http://www.safemoneymetrics.com>

Managed Futures. A risk and investment management service that optimizes potential returns by preventing ill-fated losses. Mini courses, articles, investment guides

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<http://www.sanctity.com>

Limited risk investment management and business development in managed futures. For sophisticated investors, hedge funds, institutions and advisors. All strategies use SafeMoneyMetrics. Sanctity has library links to traditional educational resources in managed futures. Health, spirit and philosophy libraries are also included.

### CTA-Reports

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

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### Advisor Analysis

<http://analysis.safemoneymetrics.com>

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