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Astor Capital Management's Monthly Update – February 2012

Written by Astor Capital Management

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Summary of Indices

Index	Feb-12	YTD
S&P 500	4.1%	8.6%
DJIA	2.5%	6.0%
Nasdaq Composite	5.4%	13.9%
FTSE 100	3.3%	5.4%
S&P GSCI Index	6.1%	8.4%
MSCI EAFE	5.4%	11.0%
10 yr US Treasury	10.0%	5.9%
Barclay Hedge CTA*	0.88%*	1.02%*

=as of 3/14/12 (data is self-reporting. 78.78% of the CTAs reporting have reported)

Past performance is not necessarily indicative of future results. An investment in alternative investments, including Managed Forex and Futures is subject to a substantial risk of loss and may not be suitable for all investors. This CTA is prohibited by law from accepting funds in the trading advisor's name from a client for trading. You must place all funds for trading in this trading program directly with a FCM or retail Forex dealer, as applicable. The material contained herein is for informational purposes only and is not a solicitation for investing. Investors should consult financial advisors and carefully review the information contained in the risk disclosure statement of the FCM or retail Forex dealer that you select to carry your account and in the CTA's disclosure document before investing.

Astor Capital's Managed Programs

Astor Capital offers investors two professionally Managed Programs. Both of the Programs allow for one day liquidity and redemption and do not have lock-ups, gates or other requirements or penalties.

The ***Knox FX Program*** is actively involved in trading off-exchange traded currencies ("Forex") as an asset class with the goal of capital appreciation. The focus is on G-10 currencies, which are more actively traded.

The ***Martello Program*** is actively involved in trading exchange-traded asset classes that may include futures contracts of U.S. equity indexes, U.S. interest rates and currencies (G-10).
Astor Capital is excited about both of its investment offerings. If you would like more details on the Programs, including a Program Disclosure Document, please contact us at clientservices@astorcm.com or click here to receive more information.

In Shape?

As signs of Spring appear, our thoughts turn to growth, renewal and getting back in shape. Baseball pitchers and catchers have reported to training camp with the MLB preseason is under way. Outdoor winter sports are hosting their top events: the Birkebeiner, at 54km, is the longest cross country ski race in North America took place in Wisconsin in February, and the Iditarod Trail Sled Dog Race, a 9 to 15 day race is under way in Alaska. Soon, March Madness, the U.S. college basketball tournament will begin its two week drama and excitement to see which school will be crowned the national champion. An unseasonably mild winter has allowed for outdoor exercising in the northern US climates. Global warming perhaps, but surely more folks are getting in "summer shape" earlier.

Given the Spring's renewal, it is a good time to ask yourself about what condition your investment portfolio is in. Is your portfolio in the kind of shape that allows for growth? Does your portfolio have a strong defense (to continue on with sports metaphors)? At Astor Capital, we are working with investors and their advisors on diversifying their investment portfolio as part of an "in shape" strategy. We encourage you to do the same – we are ready to "go the distance" with you.

Market Activity

February, in many respects, was a continuation of January: stocks were up globally (U.S. indexes near a four year high, since May 2008) and the hope for a "next step" to the Greek debt crisis remained, but without an agreed on solution by month's end. By March 8, the Greek debt bondholders agreed to swap their debt. U.S. interest rates across the yield curve, except for the short end, ended the month higher after hitting historic lows in mid-month (UST 5 year Note at 0.705% and the UST 10 year Note breaching 1.80%). Crude oil prices finished the month higher as renewed concerns about Iran made their way into the markets. Gold prices finished marginally lower, market volatility (VIX Index) finished marginally lower and the U.S. dollar (USD) was weaker against the Euro (EUR) and British pound (GBP), while stronger against the Japanese yen (JPY).

Looking forward from a markets perspective, we continue to watch for signs of economic strength in the U.S., while paying attention to continued issues in Euroland. It is our opinion that once the Greek debt restructuring is accomplished, market focus will turn to Portugal, Ireland, Italy and Spain. China's growth has showed signs of moderating, which in our opinion may result in China taking its foot off the "growth brake".

Below are some of the events that shaped the month of February.

Some market related events from **The Americas** included the following:

- **U.S.** Employment Report and Non-Farm Payroll Report for January were released on the first Friday of the month. The unemployment rate fell to 8.3%, its lowest rate since February 2009. Non-farm payrolls were up 243,000 new jobs vs. the market expectations of 140,000 new jobs. Following the announcement, U.S. equity futures rose (just off four year highs) and U.S. interests rates rose;
- **U.S.** GDP for Q4 '11 was revised upward to 3.0% from 2.8%, which was the sharpest growth since Q2 '10. Following the announcement U.S. equity futures rose;
- **U.S.** Retail Sales in January were less than market expectations. The core (excluding autos and gas) was however, stronger than market expectations;
- **U.S.** Housing starts for January rose higher than market expectations;
- **U.S.** CPI for January rose 0.2%, vs. the market expectations of a 0.3% rise. It is our opinion that this is another data point supporting the view that the Fed sees inflation as stable;
- **U.S.** Durable Goods for January fell 4.0%, which was worse than market expectations of a 1.0% fall making it the greatest decline in three years. As an offset to the headline, December purchases may have been inflated by the expiry of a '11 depreciation tax incentive;
- **U.S.** Fed Chair Bernanke spoke to the U.S. House Budget Committee and defended the Fed's plan to keep interest rates at today's low levels for the next three years, in an effort to combat high unemployment. The Fed feels that this goal is appropriate in light of the fact that traditional measures of inflation are currently stable. Importantly, Bernanke urged lawmakers to balance their desire to cut deficits with policies that could help boost the weak U.S. economy in the short run;
- **U.S.** Postal Service reported a quarterly loss of $3.3 Billion and stated that at the rate it is going, the Post Office will run out of money by October '12. Postmaster General Donahoe warned of a possible suspension in postal operations this Fall unless Congress acts to address long term (LT) money issues;
- **Brazil's** currency, the real (BRL) strengthened against the USD following a report on strong manufacturing in China. China is Brazil's largest trading partner and it is thought that a trading partner with a strong economy may result in China having more money to buy goods and services from Brazil, which is good for Brazil's economy;

Some market related events from **Europe** included the following:

- **Eurozone**:
    - European Central Bank (ECB) President Dragi expressed hopes that the European banks would take advantage of cheap ECB loans at the next offering. Some banks had been reluctant to participate given the potential stigma associated with utilizing the emergency program. The actual borrowing is estimated around EUR 500 Billion. At month's end, the ECB's three year Long-Term Refinancing Operation (LTRO) tranche drew around EUR 530 Billion of interest, with about 800 banks participating vs. 523 banks that participated in the December operation. Following the announcement European stocks rose, while the EUR weakened;
    - Moody's cut sovereign debt ratings on several European nations and threatened the AAA ratings of the UK, France and Austria. The following countries were downgraded:
        - Portugal: Ba3 to Ba2,
        - Italy: A3 to A2,
        - Spain: A3 to A1,
        - Slovenia: A2 to A1,
        - Slovakia: A2 to A1,
        - Malta: A2 to A1
    - European Union (EU) manufacturing and services output in February fell to 49.7 from 50.4 in January and was less than market expectations of 50.5. Following the announcement European stocks fell;
    - The European Commission (EC) stated that it expects the 17 nation Eurozone to shrink 0.3% in 2012, reversing an earlier forecast of 0.5% growth;
- **United Kingdom**:
    - UK Retail Sales in January fell. Following the announcement, the GBP weakened;
    - UK Manufacturing in January was stronger than market expectations. Following the announcement the GBP strengthened;
    - UK Consumer Spending in January rose more than market expectations. Following the announcement the GBP strengthened;
    - Moody's rating agency changed the UK debt rating to "negative outlook";
    - The Bank of England (BoE), the nation's central bank, left its benchmark interest rate unchanged at 1.0%. Following the announcement the GBP strengthened against the EUR;
    - BoE minutes showed that two policy makers voted for a larger increase in asset purchases. Following the release of the minutes the GBP weakened;
- **Germany:**
    - The German government remains divided over whether to grant Greece a second bail-out package. Finance Minister Schaeuble advocates letting Greece default, while Chancellor Merkel stands firmly opposed;
    - German exports for December fell 4.3% vs. the market expectation of a 1% drop. This was the steepest drop since January 2009;
    - German investor confidence rose to a 10 month high, beating market expectations. Following the announcement the EUR strengthened;

- German business sentiment for February rose to 108.8 from 108.3 in January. This is the fourth straight gain and the highest level in seven months. Following the announcement the EUR strengthened;

- **Greece:**
  - Greece has a EUR 14.5 Billion bond redemption due on March 20;
  - Greece missed another EU deadline around mid-month to approve conditions for a second EUR 130 Billion of bailout funding. Later, EU finance ministers sent Greece back to secure an additional EUR 325 Million in savings in order to receive the EU's EUR 130 Billion bailout funding;
  - The EU said that the *European Financial Stability Facility* (EFSF) may be able to provide EUR 35 Billion to help Greece buy back bonds held by Euro-area central banks as collateral;
  - Greek GDP for Q4, '11 fell 6.8%, it was less than the market expectations of a 5.5% to 6.0% contraction. It is also worse than the numbers used in the growth estimates for working its way out of its debt mess;
  - Fitch rating agency downgraded Greece's credit rating to C from CCC after the country's bailout package was confirmed. Fitch warned that it will cut the country's rating further to "Restricted Default" once the bond exchange is completed;
  - Standard & Poor's (S&P) rating agency downgraded Greece's LT debt rating to "Selective Default". S&P stated that once the debt exchange package is completed, it will likely raise Greece's rating to CCC;
  - Near the end of February, the Greek Parliament approved legislation to permit the Greek bond swap under the PSI initiative. The swapped debt's goal is to slash EUR 100 Billion of liabilities, which is equal to about 160% of Greece's GDP. There was a March 8 deadline for investors to participate in the bond swap, which resulted in over 85% of the Greek debt holders agreeing to swap the bonds;
  - At the end of February, the ECB temporarily suspended the eligibility of Greek bonds for use as collateral in its funding operations;
- **Spain:**
  - The EU revised its forecast of Spanish GDP for '12 to a contraction of 1.0%, from its November forecast of 0.7% growth;

Some market related events from **China** included:

- China's CPI in January rose to 4.5% from a year earlier. The announcement broke a streak of five straight monthly declines;
- China Premier Wen Jiabao stated that China needs to start "fine tuning" its economic policies this quarter. In our opinion, this may be a sign that the government will start easing monetary policy soon;
- The People's Bank of China (PBOC), the nation's central bank, pledged support for the local housing market. Following the announcement copper prices rose;
- PBOC Governor Zhou Xiaochuan stated that China will play a bigger role in solving Europe's crisis via the International Monetary Fund (IMF) and the EFSF. He added that China has not cut reserve exposure to the Eurozone during the debt crisis;

- The IMF warned that risks to China from a recession in Europe are both "large and tangible". China's annual GDP, currently estimated at 8.2%, could be cut in half according to the IMF;

Some market related events from the **Pacific Rim / Asia Region (ex-China)** included**:**

- **Japan:**
  - Finance Minister Azumi announced that the Bank of Japan (BoJ), the nation's central bank, conducted JPY 1.02 Trillion of "stealth intervention" in November to limit the strengthening of the JPY. He said that the intervention was consistent with policy in light of speculative activities and wouldn't rule out taking further action when necessary;
  - The BoJ left the target interest rate unchanged at 0.1%, in line with market expectations. The BoJ unexpectedly expanded its asset program from JPY 55 Trillion to JPY 65 Trillion to take proactive action against any possible negative shocks from overseas markets. Following the announcement the JPY weakened;
- **Australia:**
  - Retail Sales for February was less than the market expected. Following the announcement the Australian dollar (AUD) weakened from its six month high;
  - The Reserve Bank of Australia (RBA), the nation's central bank left benchmark interest rates unchanged. Following the announcement the AUD strengthened to a six month high;
- **New Zealand:**
  - Retail Sales for Q4 '11 were stronger than market expectations. Following the announcement the New Zealand dollar (NZD) strengthened to a six month high.

Please note: all known news has already been factored in the price of underlying asset price valuations.

Is it Real or is it Fake? According to …

According to the Federal Trade Commission (FTC), identity theft and other scams cost consumers in the U.S. $1.52 Billion in 2011. The head of the FTC's Planning and Communication unit said that identity theft has been the number one compliant generator for the past five years. The median amount of fraud cases was $536 and government documents and benefits were the most common form of reported identity theft.

According to Italian police, an operation carried out by Italian, Swiss and U.S. authorities resulted in the seizure of about $6 Trillion worth of fake U.S. Treasury bonds and other securities in Switzerland. The fake securities, worth more than a third of the U.S. national debt, were seized in January from a Swiss trust company. In 2009, Italian financial police seized $742 Billion of fake U.S. bearer bonds in another region.

According to a U.S. General Accountability Office (GAO) study, replacing the U.S. dollar bill with a dollar coin could save the U.S. federal government $4.4 Billion over 30 years. Last March, Astor Capital covered a similar report released by the GAO. This year's GAO report adds that in the near term however, the bill-for-coin swap would lead to a loss of $531 Million in the first 10 years. In September, a bill called the Currency Innovation and National Savings Act, aka COINS, was introduced in the House calling for a move to the coin. A similar bill was introduced in the Senate last month. According to a report released last November by ABI Research, "mobile wallets" are increasing in popularity, with the number of people paying with their mobile phones expected to hit roughly 594 million globally by 2016. Maybe there is no need for the change (pun intended).

According to the Nevada Department of Motor Vehicles, regulations have been finalized approving the legislation authorizing the use of autonomous vehicles on its roadways. That means the vehicle drives itself.

Fraud and scams, fake bearer bonds, electronic currency and robot driving vehicles – it all seems a bit surreal. Some things remain very real, such as your investment portfolio. Marked-to-market gains and losses are not real until you take action (e.g. actually buying back or selling what you hold). Regardless, managing the entire investment portfolio, so that you have flexibility and comfort to sleep at night and knowing that you have diversified your portfolio against a single random market occurrence, is what many investors seek.

Research by Nobel Prize winner Dr. Harry Markowitz demonstrates that building a diversified investment portfolio may reduce risk and may enhance returns. Research by Harvard University professor Dr. John Lintner demonstrates that adding managed futures to a stock and bond portfolio reduces risk at every possible level of expected return. At Astor Capital, it is our opinion that a diversified portfolio means having investments that are not all highly correlated. Astor Capital offers suitable investors Managed Programs to assist in investment portfolio construction. It's the time of year to review your investment portfolio and plan how to rebalance it. We welcome the opportunity to be a part of those conversations.

If you are considering reviewing a Managed Currency or a Managed Futures program or simply wish to discuss the markets, we welcome the opportunity to speak with all interested potential investors.

RISK DISCLOSURE STATEMENT

THE RISK OF LOSS IN TRADING COMMODITY INTERESTS CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IN CONSIDERING WHETHER TO TRADE OR TO AUTHORIZE SOMEONE ELSE TO TRADE FOR YOU, YOU SHOULD BE AWARE OF THE FOLLOWING:

IF YOU PURCHASE A COMMODITY OPTION YOU MAY SUSTAIN A TOTAL LOSS OF THE PREMIUM AND OF ALL TRANSACTION COSTS.

IF YOU PURCHASE OR SELL A COMMODITY FUTURES CONTRACT OR SELL A COMMODITY OPTION OR ENGAGE IN OFF-EXCHANGE FOREIGN CURRENCY TRADING YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS OR SECURITY DEPOSIT AND ANY ADDITIONAL FUNDS THAT YOU DEPOSIT WITH YOUR BROKER TO ESTABLISH OR MAINTAIN YOUR POSITION. IF THE MARKET MOVES AGAINST YOUR POSITION, YOU MAY BE CALLED UPON BY YOUR BROKER TO DEPOSIT A SUBSTANTIAL AMOUNT OF ADDITIONAL MARGIN FUNDS, ON SHORT NOTICE, IN ORDER TO MAINTAIN YOUR POSITION. IF YOU DO NOT PROVIDE THE REQUESTED FUNDS WITHIN THE PRESCRIBED TIME, YOUR POSITION MAY BE LIQUIDATED AT A LOSS, AND YOU WILL BE LIABLE FOR ANY RESULTING DEFICIT IN YOUR ACCOUNT.

UNDER CERTAIN MARKET CONDITIONS, YOU MAY FIND IT DIFFICULT OR IMPOSSIBLE TO LIQUIDATE A POSITION. THIS CAN OCCUR, FOR EXAMPLE, WHEN THE MARKET MAKES A “LIMIT MOVE.”

THE PLACEMENT OF CONTINGENT ORDERS BY YOU OR YOUR TRADING ADVISOR, SUCH AS A “STOP-LOSS” OR “STOP-LIMIT” ORDER, WILL NOT NECESSARILY LIMIT YOUR LOSSES TO THE INTENDED AMOUNTS, SINCE MARKET CONDITIONS MAY MAKE IT IMPOSSIBLE TO EXECUTE SUCH ORDERS.

A “SPREAD” POSITION MAY NOT BE LESS RISKY THAN A SIMPLE “LONG” OR “SHORT” POSITION.

THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY INTEREST TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.

IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. A

DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY INTEREST MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY A PROGRAM'S DISCLOSURE DOCUMENT AND COMMODITY INTEREST TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY TRADING ADVISOR MAY ENGAGE IN OFF-EXCHANGE FOREIGN CURRENCY TRADING. SUCH TRADING IS NOT CONDUCTED IN THE INTERBANK MARKET. THE FUNDS DEPOSITED WITH A COUNTERPARTY FOR SUCH TRANSACTIONS WILL NOT RECEIVE THE SAME PROTECTIONS AS FUNDS USED TO MARGIN OR GUARANTEE EXCHANGE-TRADED FUTURES AND OPTION CONTRACTS. IF THE COUNTERPARTY BECOMES INSOLVENT AND YOU HAVE A CLAIM FOR AMOUNTS DEPOSITED OR PROFITS EARNED ON TRANSACTIONS WITH THE COUNTERPARTY, YOUR CLAIM MAY NOT BE TREATED AS A COMMODITY CUSTOMER CLAIM FOR PURPOSES OF SUBCHAPTER IV OF CHAPTER 7 OF THE BANKRUPTCY CODE AND REGULATIONS THEREUNDER. YOU MAY BE A GENERAL CREDITOR AND YOUR CLAIM MAY BE PAID, ALONG WITH THE CLAIMS OF OTHER GENERAL CREDITORS, FROM ANY MONIES STILL AVAILABLE AFTER PRIORITY CLAIMS ARE PAID. EVEN FUNDS THAT THE COUNTERPARTY KEEPS SEPARATE FROM ITS OWN FUNDS MAY NOT BE SAFE FROM THE CLAIMS OF PRIORITY AND OTHER GENERAL CREDITORS.

FURTHER, YOU SHOULD CAREFULLY REVIEW THE INFORMATION CONTAINED IN THE RISK DISCLOSURE STATEMENT OF THE FUTURES COMMISSION MERCHANT OR RETAIL FOREIGN EXCHANGE DEALER THAT YOU SELECT TO CARRY YOUR ACCOUNT.

COMMODITY TRADING ADVISORS ARE PROHIBITED BY LAW FROM ACCEPTING FUNDS IN THE TRADING ADVISOR'S NAME FROM A CLIENT FOR TRADING COMMODITY INTERESTS. YOU MUST PLACE ALL FUNDS FOR TRADING IN A TRADING PROGRAM DIRECTLY WITH A FUTURES COMMISSION MERCHANT OR RETAIL FOREIGN

EXCHANGE DEALER, AS APPLICABLE.Astor Capital has been registered with the CFTC and a member of the NFA for three and a half years. Astor Capital is registered as a Forex firm and our client facing team that speaks with investors about Forex are registered as Associated Persons and are also approved as Forex AP's (in addition to futuresAstor Capital has been registered with the CFTC and a member of the NFA for three and a half years. Astor Capital is registered as a Forex firm and our client facing team that speaks with investors about Forex are registered as Associated Persons and are also approved as Forex AP's (in addition to futuresAstor Capital has been registered with the CFTC and a member of the NFA for three and a half years. Astor Capital is registered as a Forex firm and our client facing team that speaks with investors about Forex are registered as Associated Persons and are also approved as Forex AP's (in addition to futures business) having taken the additional required exam. We have NFA reviewed disclosure documents for all of our programs for interested investors to review. We offer performance returns that have been compiled by an external, third party accounting firm. Investors can see all of the executed trades real time in their account at their FCM (clearing broker). Also noted by the NFA Member Newsletter Fall 2010, "Beginning on October 18, previously unregistered Forex IBs, CPOs and CTAs will be subject to a host of rules and regulations covering every aspect of their business, including promotional material, sales practice, supervision, recordkeeping, ethics training, privacy policy and disaster recovery procedures." As a membered CTA, we have been doing this. If you are considering reviewing other Forex program providers, or simply wish to discuss the markets, we welcome the opportunity to speak with all potential investors. You can contact us by calling **888-ASTOR 10** (877-278-6710), emailing us at **info@astorcm.com** or **clicking here** to request more information.Astor Capital has been registered with the CFTC and a member of the NFA for three and a half years. Astor Capital is registered as a Forex firm and our client facing team that speaks with investors about Forex are registered as Associated Persons and are also approved as Forex AP's (in addition to futures business) having taken the additional required exam. We have NFA reviewed disclosure documents for all of our programs for interested investors to review. We offer performance returns that have been compiled by an external, third party accounting firm. Investors can see all of the executed trades real time in their account at their FCM (clearing broker). Also noted by the NFA Member Newsletter Fall 2010, "Beginning on October 18, previously unregistered Forex IBs, CPOs and CTAs will be subject to a host of rules and regulations covering every aspect of their business, including promotional material, sales practice, supervision, recordkeeping, ethics training, privacy policy and disaster recovery procedures." As a membered CTA, we have been doing this. If you are considering reviewing other Forex program providers, or simply wish to discuss the markets, we welcome the opportunity to speak with all potential investors. You can contact us by calling **888-ASTOR 10** (877-278-6710), emailing us at **info@astorcm.com** or **clicking here** to request more information.

Index Definitions

S&P 500 Index - A stock market index containing the stocks of 500 Large-Cap corporations, most of which are American U.S. domiciled. The Index is owned and maintained by Standard & Poor's, a division of McGraw-Hill.

DJIA Index - The Dow Jones Industrial Average is a stock market index, to gauge the performance of the industrial sector of the U.S. stock market. The average consists of 30 of the largest and most widely held public companies in the U.S. The average is price-weighted, which gives higher priced stocks more influence over the value of the index.

Nasdaq Composite Index - A stock market index of all of the common stocks and similar securities (e.g. ADRs, tracking stocks, limited partnership interests) listed on the NASDAQ stock market, meaning that it has over 3,000 components. It is highly followed in the U.S. as an indicator of the performance of stocks of technology companies and growth companies. Since both U.S. and non-U.S. companies are listed on the NASDAQ stock market, the index is not an exclusively U.S. index. It is a broad based index which is calculated under a market capitalization weighted methodology.

FTSE 100 Index - The Financial Times Stock Exchange Index is a share index of the 100 most highly capitalized companies listed on the London Stock Exchange. FTSE 100 companies represent about 80% of the market capitalization of the whole London Stock Exchange. Even though the FTSE All-Share Index is more comprehensive, the FTSE 100 is the most widely used UK stock market indicator.

Goldman Sachs Commodity Index - The GSCI is a world-production weighted index composed of 24 commodity futures contracts. The index is a composite index of commodity sector returns and represents an unleveraged investment through broadly diversified long positions in commodity futures. The GSCI primarily serves as a benchmark for investment in the commodity markets and as a measure of commodity performance over time.

MSCI EAFE Index - A stock market index of foreign stocks, from the perspective of a North American investor. The index is market capitalization weighted (meaning that the weight of securities is determined based on their respective market capitalizations.) It first ranks each stock in the investable universe from largest to smallest by market capitalization. It is maintained by Morgan Stanley Capital International; the EAFE acronym stands for “Europe, Australasia, and Far East “. The index includes a selection of stocks from 21 developed markets, but excludes those from the U.S. and Canada.

The 10 year US Treasury Constant Maturity Treasury Index ("CMT") - An index published by the Federal Reserve Board based on the average yield of a range of US Treasury securities, all adjusted to the equivalent of a 10-year maturity. Yields on US Treasury securities at constant maturity are determined by the US Treasury from the daily yield curve. That is based on the closing market-bid yields on actively traded US Treasury securities in the over-the-counter market. This figure is used as a reference point to establish the price of other securities such as corporate bonds. US Treasury securities are considered risk-free since they are backed by the US government. This figure, and an added margin based upon the risk involved, is used in pricing various debt securities.

BarclayHedge CTA Index - A measure of the average return of CTA's providing BarclayHedge with their unaudited returns. There are currently over 400 CTA's reporting. It is unweighted and rebalanced at the end of the year.