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ABSOLUTE RETURN ALPHA STRATEGY



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# OVERVIEW

« ABSOLUTE RETURN ALPHA STRATEGY » is a proprietary systematic managed futures and spot FX trading strategy which trades all four major futures asset classes: Commodities, FX, Interest Rates and Equity Indices.

The strategy includes two complementary proprietary trend-driven trading models that work in tandem to identify opportunities across a diversified basket of the most liquid trading assets:

The Trend Breakout Model – Buys or sells technical breakouts, thereby ensuring participation in every major trend.

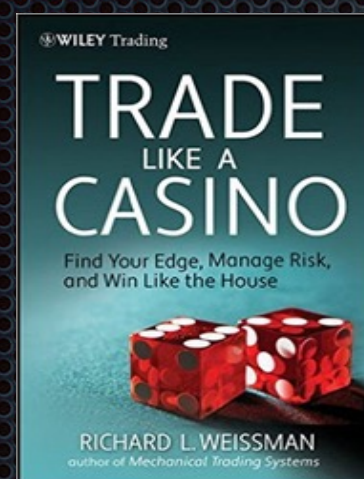
The Pullback Trend Model – Buys or sells short-term and / or intermediate-term pullbacks within the context of the major trend.

With no bias to any market, we trade short-term as well as intermediate-term corrections within the context of the longer-term trend, (along with trend-following breakouts) and are therefore uncorrelated to both “long only” investment strategies as well as traditional long-term trend following managed futures funds.



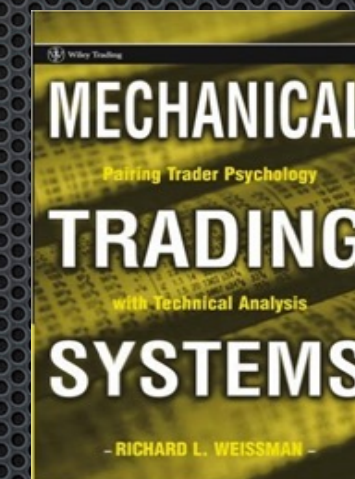
# TRADING EXPERTISE: WE LITERALLY WROTE THE BOOK

Richard Weissman developer of the Absolute Return Alpha Strategy, is also the author of two books on trading, both printed by recognized financial publisher Wiley Trading.



Published 2011

Finalist for:  
2012 Technical Analyst Book  
of the Year Award



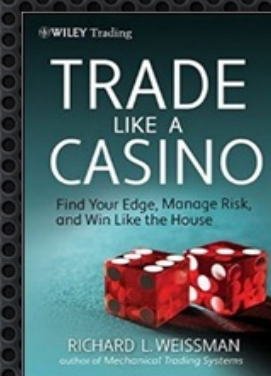
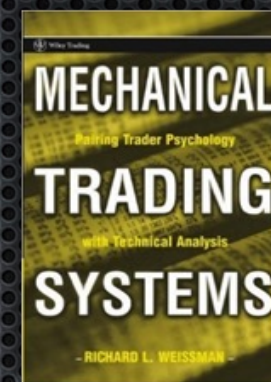
Published 2004

Positive reviews from Technical  
Analyst Magazine, author of New  
Trader, Rich Trader, FOREX  
Television, and author of Technical  
Analysis for Dummies



# RICHARD WEISSMAN

- Responsible for trading, system development & risk management
- 36 years experience as a professional trader
- 25 years experience training traders & risk managers
- Serves as President of Weissman Consulting & Training
- Taught trading and risk management courses which were co-sponsored by CME Group and Intercontinental Exchange
- Author, Mechanical Trading Systems (John Wiley & Sons, 2004)
- Author, Trade Like a Casino – a Finalist for the Technical Analyst 2012 Book of the Year Award



# NOUR ZEKHMI

- Responsible for trading, operations and marketing
- 15 years of experience as a professional trader
  - Registered as a CTA since 2010
- Serves as CEO of THE TAPE READER LLC
- Serves as a director of AMEXA AGENCY SA, a Swiss consulting company which assists treasurers, asset managers and traders to handle their currency and commodity exposure



# BENEFITS / OPPORTUNITY

**The Absolute Return Alpha Strategy provides diversification opportunities to both traditional assets as well as long-term trend following managed futures funds.**

## Multiple asset classes of Futures

We trade in interest rates, commodities, FX and equity indices.

## An unwavering systematic approach

We never deviate from our approach irrespective of performance (positive or negative) nor where we are in the calendar month or year. All trading modifications are in accordance with pre-determined risk management protocols (including severity of drawdown and drawdown duration).



# PROGRAM OBJECTIVES

**Using managed futures, the program aims at providing a client portfolio with:**

- Transparency
- Diversification
- Low Correlation
- Protection
- Liquidity
- Absolute Return



# VALUE PROPOSITION: AN UNBIASED DIVERSIFIER

With no bias to any market, we trade short-term as well as intermediate-term corrections within the context of the longer-term trend, (along with trend-following breakouts) and are therefore uncorrelated to traditional investments (equities and debt securities) as well as long-term trend following managed futures funds.



**Our average hold time is ~30 days**



**Strategy traded live since January, 2023.**



# ARA: AN UNBIASED DIVERSIFIER

	ARA	S&P 500	Dunn	Mulvaney
ARA	1	0.00	0.28	0.48
S&P 500	0.00	1	-0.05	-0.07
Dunn	0.28	-0.05	1	0.7
Mulvaney	0.48	-0.07	0.7	1

Correlation Analysis from 1/1/2017 to 7/31/2024  
+0.70 correlation between Dunn & Mulvaney



# THE STRATEGY

**The Absolute Return Alpha Strategy is comprised of two proprietary intermediate to long-term models applicable to all markets:**

The Trend Breakout Model –  
Buys or sells technical  
breakouts, thereby minimizing  
regret regarding “missing” a  
major trend.

Short & Intermediate-Term  
Correction Model – Buys or sells  
short-term and / or intermediate-  
term pullbacks within the trend,  
thereby minimizing regret  
regarding participating in  
corrections within the major trend.

By monitoring where assets are within the long-term market cycle, these models minimize risk by capitalizing on market risk / reward asymmetry.



# THE ABSOLUTE RETURN ALPHA STRATEGY

Minimizes risk by trading a diverse portfolio of assets, capitalizing on asymmetry of risk / reward which consistently arises in all assets due to the cyclical nature of volatility.

Strives for low correlation with major asset classes (debt and equity securities) as well as long-term trend following managed futures strategies.

100% systematic, proprietary, intermediate to long-term futures trading strategy that is applicable to all markets.

This model has been traded live since January, 2023



# STRATEGY CHARACTERISTICS



Strives for low correlations.

With other major asset classes (S&P 500, Treasuries) as well as long-term trend-following managed futures funds.



No bias.

We have no bias on any market we trade.



Diligent Risk Management

We are willing to sacrifice some upside performance in order to minimize risk of ruin.



# ASSETS TRADED

We trade only the most liquid assets.



## FX

EURUSD  
USDJPY  
GBPUSD  
USDCHF  
AUDUSD  
USDCAD  
USDMXN



## EQUITY INDICES

E-MINI SP 500  
E-MINI NASDAQ  
E-MINI DOW  
E-MINI RUSSELL 2000  
NIKKEI 225



## INTEREST RATE FUTURES

30 YEAR T-BONDS  
10 YEAR T-NOTES  
5 YEAR T-NOTES



## ENERGY FUTURES

WTI CRUDE OIL  
BRENT CRUDE OIL  
GASOIL ARA  
ULSD  
RBOB UNLEADED  
NATURAL GAS



## METALS

GOLD  
SILVER  
COPPER



## AGRICULTURE

CORN  
SOYBEANS  
WHEAT  
SOYBEAN MEAL  
SOYBEAN OIL  
LIVE CATTLE  
LEAN HOGS  
SUGAR  
COFFEE  
COCOA



# PROFILE

MANAGEMENT FEES:	2%
PERFORMANCE FEES:	20%
CAPACITY:	SOFT CLOSE TARGET \$500 MM, CAPACITY TO \$5 BILLION
REGULATOR:	CFTC / NFA
OPERATING MODEL:	SMA'S (SEPARATELY MANAGED ACCOUNTS); WILLING TO FORM CPO FOR INSTITUTIONAL INVESTORS
INVESTOR TYPES:	QUALIFIED INVESTORS; FAMILY OFFICES; INSTITUTIONAL INVESTORS
REDEMPTION:	MONTHLY
LOCK-UP PERIOD:	NO
HIGH WATER MARK:	YES
MINIMUM INVESTMENT:	\$1 MILLION
ACCESS POINTS:	FUTURES COMMISSION MERCHANTS, INTRODUCING BROKERS, FUND OF FUNDS, BANKS, MUTUAL FUNDS



# ARA MODEL: REAL-TIME PERFORMANCE\*

Month	2023	2024	2025
January	-2.64%	-4.23%	-0.31%
February	1.23%	13.79%	-4.04%
March	-0.16%	9.56%	3.35%
April	14.00%	8.91%	-9.86%
May	-2.67%	3.95%	-6.67%
June	5.12%	0.31%	2.32%
July	4.59%	-0.50%	-3.47%
August	-8.05%	-2.41%	3.17%
September	-3.03%	1.04%	0.29%
October	-9.16%	-0.85%	3.84%
November	8.83%	-2.01%	
December	9.70%	-4.12%	
Annual ROI	16.08%	23.92%	-11.73%

\* Past performance is not necessarily indicative of future results. The risk of loss in trading commodity futures, options, and foreign exchange (“forex”) is substantial.



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# ABSOLUTE RETURN ALPHA STRATEGY

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