

## Active Alts SentimenTrader Long/Short Strategy

<b>Gross Leverage</b>	0% – 100%
<b>Exposure Rebalanced</b>	Weekly
<b>Stocks Rebalanced</b>	Monthly
<b>Sector Limit</b>	25%
<b>Fee</b>	1.50%
<b>Expenses + Commission</b>	20 bips (est)

SentimenTrader.com (“SentimenTrader”) and Active Alts, Inc. (“Active Alts”) have created an un-leveraged Long /Short equity strategy. The strategy is 100% powered by Active Alts and SentimenTrader’s proprietary indicators.

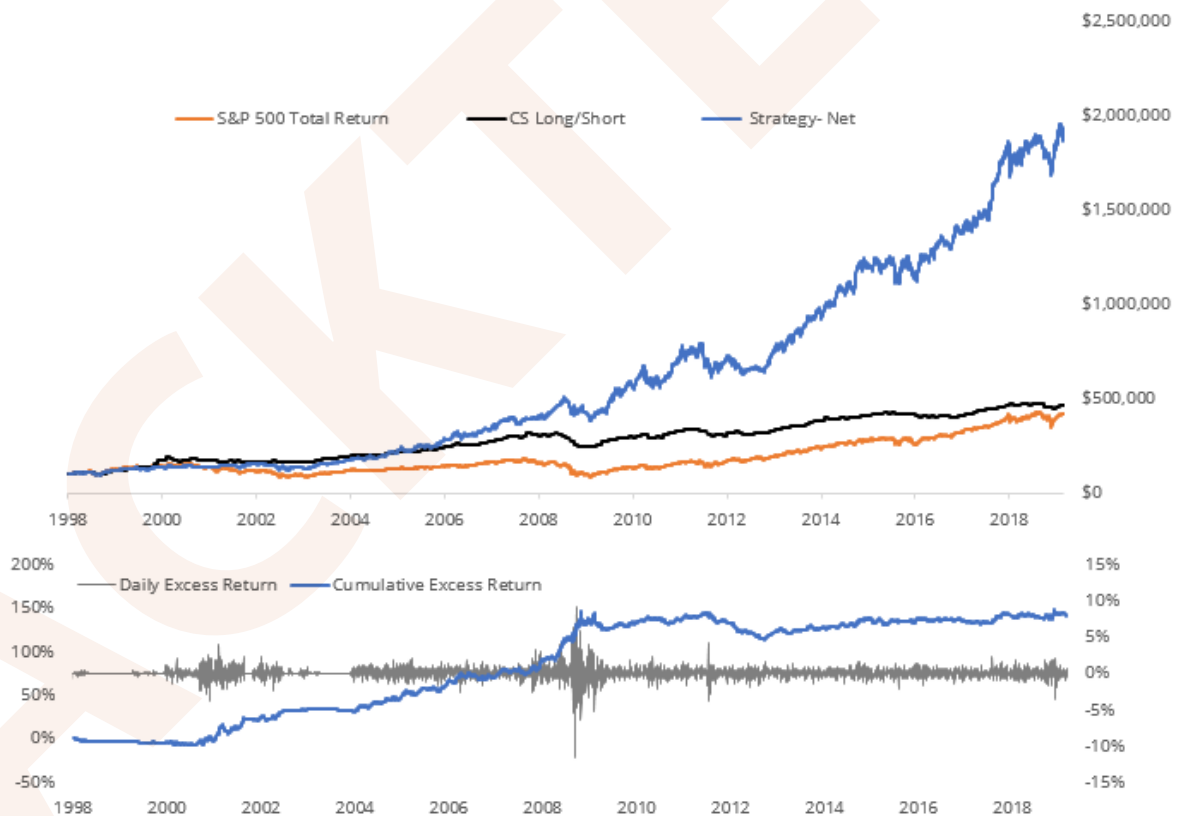
Indicators drive the exposure while a proprietary Long & Short portfolio is rebalanced monthly for the strategy’s equity drivers.

The strategy stays between 0 - 100% invested on a Gross basis.

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Active Alts SentimenTrader Strategy - Growth Of \$100,000

In U.S. Dollars



## Backtested Performance of SentimenTrader L/S Strategy vs. Benchmark Indices

**Please note the following:**

- All numbers are shown as percentages
- All numbers except year-to-date are annualized
- The net strategy assumes 180 bps in fees per year (assessed as 15 bps per month)
- The numbers reflect total return (including dividends)

\* This back-tested hypothetical chart is for illustration purposes only and does not depict actual performance. Please see important notes on hypothetical performance on page 3.

Source: Bloomberg

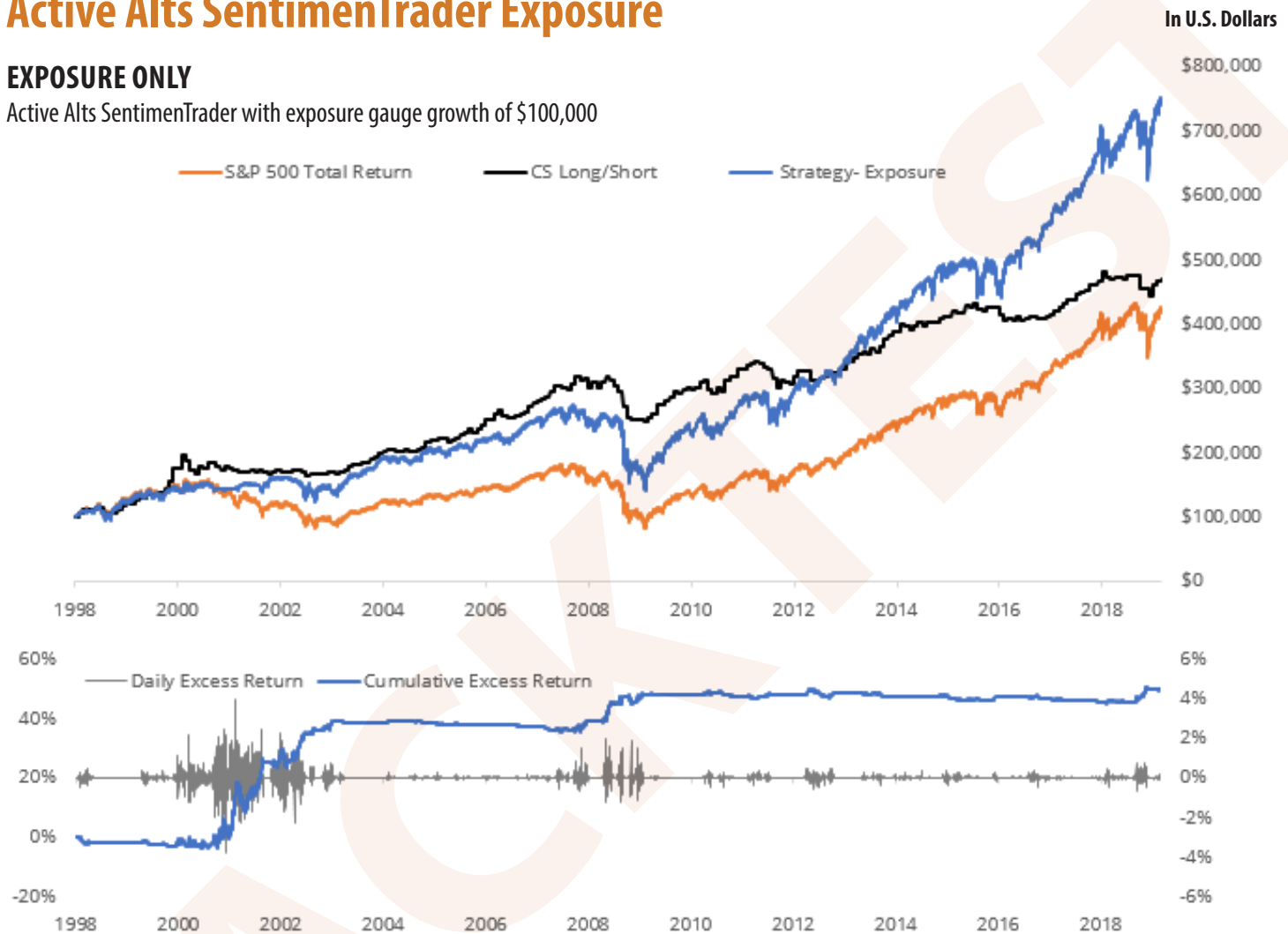
	Strategy - Net Of Fees	S&P 500 TR	CS Long/Short *
3-Year Rolling Volatility	15.2%	17.0%	8.2%
Beta	0.67	1.00	0.41
Sharpe Ratio	0.68	0.32	0.45
Days To Recovery	395	1541	941
Max Drawdown	-24.8%	-55.3%	-22.0%
YTD Return	10.1%	9.1%	5.3%
1-Year Return	-4.7%	-4.4%	-3.8%
Avg 3-Year Return	12.2%	9.8%	1.8%
Avg 5-Year Return	11.4%	8.9%	2.9%
Avg 10-Year Return	13.4%	13.7%	6.2%

\* Returns through March 31, fees at 1.7% of assets

## Active Alts SentimenTrader Exposure

### EXPOSURE ONLY

Active Alts SentimenTrader with exposure gauge growth of \$100,000



	Strategy - Exposure Only	S&P 500 TR	CS Long/Short
3-Year Rolling Volatility	14.7%	17.0%	8.2%
Beta	0.87	1.00	0.41
Sharpe Ratio	0.57	0.32	0.45
Days To Recovery	814	1541	941
Max Drawdown	-48.5%	-55.3%	-22.0%
YTD Return	13.1%	9.1%	5.3%
1-Year Return	-0.1%	-4.4%	-3.8%
Avg 3-Year Return	11.1%	9.8%	1.8%
Avg 5-Year Return	9.5%	8.9%	2.9%
Avg 10-Year Return	14.3%	13.7%	6.2%

\* Returns through March 31, fees at 1.7% of assets

## STOCK SELECTION

### LONG STRATEGY CRITERIA

- Top 2% of ranking score
- No more than 25% sector exposure
- Positive trend performance
- Positive up/down volume accumulation
- \$500 million market cap and greater

### SHORT STRATEGY CRITERIA

- Bottom 2% of ranking score
- No more than 25% sector exposure
- Negative trend performance
- Negative volume / distribution
- \$1 billion market cap and greater

### General Disclaimer

BACKTESTING HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE LIMITATION OF HYPOTHETICAL PERFORMANCE RESULTS IS THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK. NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. WE HAVE NOT TRADED THIS STRATEGY FOR CUSTOMERS. BECAUSE THERE ARE NO ACTUAL TRADING RESULTS TO COMPARE TO THE HYPOTHETICAL RESULTS, CUSTOMERS SHOULD BE WARY OF PLACING UNDUE RELIANCE ON THESE HYPOTHETICAL PERFORMANCE RESULTS. THE ADVISOR, DURING THE PERIOD IN QUESTION, WAS NOT MANAGING MONEY ACCORDING TO THE STRATEGY DEPICTED. THE RESULTS DO NOT REPRESENT THE RESULTS OF ACTUAL TRADING USING CLIENTS ASSETS, BUT WERE ACHIEVED BY THE MEANS OF A BACKTEST.

Active Alts, Inc. ("Active Alts") is an investment adviser registered with the state of Connecticut. Active Alts manages the Active Alts SentimenTrader L/S Strategy and SentimenTrader serves as the research / index provider for the strategy. Registration with the state of Connecticut does not imply a certain level of skill or training.

Past performance is not an indication of future performance. The manager has the option to choose from the top 2% of the ranking and can also use the sp500 in lieu of the top 2% ranking

### Calculation Disclaimer

Dividends are included in the back tested performance results. We have also calculated the net results by applying the highest management fee to be charged to advisory clients. Results will vary based on the amount of the fee applied. The results were also calculated by rebalancing the long and short portfolios on a weekly basis. The portfolio selection was and will be generated from the proprietary Active Alts stock selection process which is based on quantitative factors and mechanically driven.

Commissions were added. (2) Other calculation criteria: No taxes were deducted; no borrowing costs were added; and no ex-dividend costs were included from the short portfolio.

Indices are not indicative of the strategy and may not be suitable for comparison purposes. Back tested returns should not be considered indicative of the skill of an investment adviser.

The data and analysis contained within are provided "as is" and without warranty of any kind, either expressed or implied. The information is based on data believed to be reliable, but it is not guaranteed. SENTIMENTRADER DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Investors should consult their tax advisors before making investment decisions, as well as realize that past performance and results of the model are not a guarantee of future results. The Active Alts SentimenTrader L/S Strategy model is not intended to be the primary basis for investment decisions and the usage of the model does not address the suitability of any particular investment for any particular investor.

**Downside deviation** is a measure of downside risk that focuses on returns that sell below a minimum threshold of a Minimal Acceptable Return (MAR).

**Sharpe ratio** is the average return earned in excess of the risk free rate per unit of volatility of risk.

**Time to recovery** is the duration of time it takes to restore the value lost.

**Beta** is a measure of a stock's volatility in relation to the market. By definition, the market has a beta of 1.0, and individual stocks are ranked according to how much they deviate from the market. A stock that swings more than the market over time has a beta above 1.0.

**Annualized volatility** - Historic volatility measures a time series of past market prices. Implied volatility looks forward in time, being derived from the market price of a market-traded derivative (in particular, an option).

**Max drawdown** is an indicator of the risk of a portfolio chosen based on a certain strategy. It measures the largest single drop from peak to bottom in the value of a portfolio (before a new peak is achieved).

(1) Indicators drive the exposure while a proprietary Long & Short portfolio are rebalanced monthly for the strategies equity drivers.

(2) Commissions were added to the exposure rebalance as well as the monthly stock rebalance.