



GUIDE TO ALTEGRIS RESEARCH AND INVESTMENT PROCESS



TRUSTED **ALTERNATIVES.**
INTELLIGENT **INVESTING.**

Altegris Research and Investment Process

The Heart of What We Do

The research and investment process is the heart and soul of Altegris. Any successful investment begins with a focused group of professionals working together through an intensive process to uncover what we believe are best-of-breed managers in each of our core strategies. With years of alternatives experience, we know what to look for, what to ask, and most importantly—what to avoid.

Identification

Research and Investments Group: Investment sourcing
Investment Committee: Top-down strategy review

Assessment

Research and Investments Group: Investment assessment
Investment Committee: Initial manager review

Manager Qualification and Approval

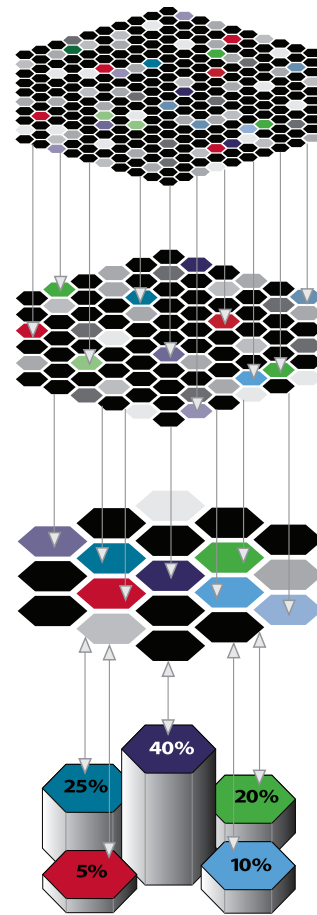
Research and Investments Group: Manager qualification
Investment Committee: Final approval decision

Portfolio Management

Portfolio Managers: Portfolio monitoring and risk management
Research and Investments Group: Ongoing analytics

Ongoing Evaluation

Research and Investments Group



The detailed investment review and due diligence cannot, of course, remove all risks associated with an investment, and no manager's risk controls/systems will avoid losses in every market environment. Each program undergoes a unique degree of review. Not all investigations are available on all investments. All investments contain risks and alternative investments are subject to a set of unique risks. Of course, due diligence is not a panacea against investment failures or even against fraud.

Altegris Research and Investment Process

100% Dedication to Alternatives Research

There are a vast number of alternative investment strategies and thousands of alternative investment managers, many operating with great complexity. This makes informed investment decisions difficult. At Altegris, we strive to make sense of the immense universe of strategies and managers through a comprehensive research and investment process, supported by continuous evaluation. Our process consists of five critical steps with the aim to ensure manager excellence:

1. Identification
2. Assessment
3. Manager Qualification and Approval
4. Portfolio Management
5. Ongoing Evaluation

What separates our research and investment process from others' is our people. The Altegris research and investment process leverages the extensive knowledge and insight of three distinct groups:

- ▶ Altegris Investment Committee
- ▶ Altegris Research and Investments Group
- ▶ Altegris Portfolio Managers

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The Altegris Difference

Altegris Investment Committee

Veteran Experts Provide Insight and Direction

- Over 120 years of combined experience
- Consists of the founding members of the firm, each with extensive individual experience in alternatives, and members from the Research and Investments Group, each with deep experience in investment and operational due diligence
- Extensive network of relationships
- Continuous top-down alternative strategy review
- Seek to gain access and capacity with what we believe are high-quality managers
- Provide review or input at each step of the research and investment process

Altegris Research and Investments Group

Combining Art and Science in Alternatives Research

- Comprised of experienced professionals with history in alternatives industry
- Extensive due diligence and investment experience across multiple alternative strategies
- Chartered Financial Analyst (CFA) and Chartered Alternative Investment Association (CAIA) charterholders
- Possess first-hand knowledge necessary to uncover both potential problems or opportunities
- Specialize in detailed investment and operations evaluation

Altegris Portfolio Managers

Invaluable Portfolio Expertise

- Comprised of Chief Executive Officer, Managing Director, and Chief Investment Officer of Altegris Advisors
- Responsible for asset allocation and construction of multi-manager offerings
- Monitor portfolios with sophisticated risk management analytics
- Add or remove managers to or from multi-manager offerings
- Set and rebalance target weights

The Altegris Difference

Investment Committee



Jon Sundt | President and CEO, Altegris Investments and Altegris Advisors

- 25+ years in the alternative investment industry
- Co-portfolio manager of the Altegris family of mutual funds

Previous Experience:

- Former Director of Managed Accounts and Senior Vice President of the Managed Investments Division of Man Financial



Matthew Osborne | EVP and Managing Director, Altegris Advisors

- 20+ years of alternative investment experience
- Co-portfolio manager of the Altegris family of mutual funds

Previous Experience:

- Director of Research for the Managed Investment Division of Man Financial
- Investment Portfolio Manager of prominent New Zealand Family Office



Robert Amedeo | EVP and Managing Director, Altegris Investments

- 30+ years of legal expertise in financial services

Previous Experience:

- President and Director of Rockwell Futures Management, Inc.
- Current Chairman of the National Futures Association's CPO/CTA Sub-committee



Allen Cheng | SVP and Chief Investment Officer, Altegris Advisors

- 20+ years of alternative investment experience
- Head of Research and Investments Group
- Co-portfolio manager of the Altegris family of mutual funds

Previous Experience:

- Managing Director and Head of hedge fund investments at Bank of America
- Head of Research for Optima Fund Management
- Head of manager research and fund of funds portfolios—Moore Capital



Dick Pfister, CAIA | EVP and Managing Director, Altegris Investments

- 15+ years of alternative investment experience
- Member of Chartered Alternative Investment Association (CAIA)

Previous Experience:

- CME Floor Trader in G7 Currencies
- Institutional Research Executive for the Managed Investment Division of Man Financial
- Manager of Global Macro CTA Trade Desk



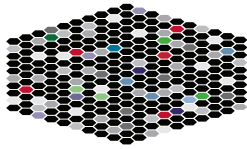
Lara Magnusen, CAIA | VP and Director, Altegris Advisors

- 10+ years of industry experience
- Member of Chartered Alternative Investment Association (CAIA)

Previous Experience:

- Director of Manager Research for Cabezon Capital
- Associate Portfolio Manager and Director of Investor Relations at Helix Investment Partners
- Financial Analyst at Goldman Sachs

Step 1: Identification

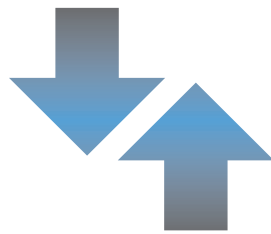


Quest for the Select Few

At Altegris, we continually search the universe of alternative investment strategies and managers to identify new opportunities for our clients. Blending the Investment Committee's top-down viewpoints and the Research and Investments Group's bottom-up analysis allows us to continually bring new ideas into the Altegris review process.

Investment Committee | Top-Down Strategy Review

- Determines if gaps exist in lineup of strategies
- Directs Research and Investments Group to identify potential managers that meet performance requirements and investment themes



Research and Investments Group | Bottom-Up Manager Sourcing

- Advises Investment Committee of manager sourcing results
- Key sources:
 - Direct Approach
 - Personal Contacts
 - Capital Introductions
 - Fund Marketers
 - Prime Brokers
 - Database
 - Conferences
 - Investment Managers

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Step 2: Assessment



Exhaustive Initial Research

Once the preliminary list of managers has been identified, the Research and Investments Group gathers initial information that includes reviewing key documents, interviewing managers, and analyzing performance. The results of this assessment are submitted to the Investment Committee for its initial review. This assessment provides information to better understand the reasoning behind a manager's investment philosophy and process.

INITIAL ASSESSMENT: RESEARCH AND INVESTMENTS GROUP



INITIAL REVIEW: INVESTMENT COMMITTEE



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Step 3: Manager Qualification and Approval



Our Research Goes Beyond the Numbers

After the initial review by the Investment Committee, a decision is made whether to proceed with formal manager review. The Research and Investments Group conducts three separate levels of due diligence for manager qualification: investment due diligence, operational due diligence and document review. An extensive collection of information is gathered and evaluated to verify that a manager's actual practices are in line with its stated process. In our quest to find best-of-breed managers, our qualitative and quantitative process is designed to screen out managers who sometimes pass others' less rigorous tests.

MANAGER QUALIFICATION: RESEARCH AND INVESTMENTS GROUP DUE DILIGENCE PROCESS*

An understanding of how a firm is organized, staffed and compensated is as important as our analysis of its manager's investment process and performance. There is no 'one size fits all' due diligence approach. A checklist is never a substitute for judgment and experience.

Investment Due Diligence

- › Investment management review
- › Portfolio management review
- › General business practices
- › Reference checks



Operational Due Diligence

- › Valuation procedures
- › Service provider review
- › Background checks
- › Administration, business continuity, systems and IT
- › Trading processes, procedures and policies

Documentation, Filing, Collection and Review

- › Portfolio details
- › Policies and procedures
- › Fund offering materials
- › Annual audits and tax reporting
- › Formation documents
- › Regulatory filings

**Not limited to these three processes. Each program undergoes a unique degree of review. Not all investigations are available on all investments. All investments contain risks and alternative investments are subject to a set of unique risks. Of course, due diligence is not a panacea against investment failures or even against fraud.*

Step 3: Manager Qualification and Approval



If Qualitative Review Does Not Measure Up— Quantitative Analysis Does Not Matter

The Research and Investments Group presents its due diligence findings to the Investment Committee for its final investment review and manager selection. The Investment Committee review encompasses a thorough examination, which includes the review of the investment due diligence and operational due diligence reports produced by the Research and Investments Group. Reviewing the consistency of a manager's investment process, structure and risk management are critical in selecting what we believe are premier alternative investment managers. For a manager to be selected, unanimous Investment Committee approval is required.

MANAGER SELECTION: FINAL INVESTMENT COMMITTEE REVIEW

Investment Due Diligence Report

- › Key risks
- › Background information
- › Executive summary
- › Investment review
- › Risk management
- › Performance review
- › Professional background and staffing

Investment Due Diligence Report

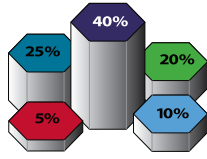
Operational Due Diligence Report

Operational Due Diligence Report

- › Administration
- › Fund structure
- › Service providers
- › Valuation procedures
- › Trading processes, procedures and policies
- › Audit review and reporting
- › Capital transactions

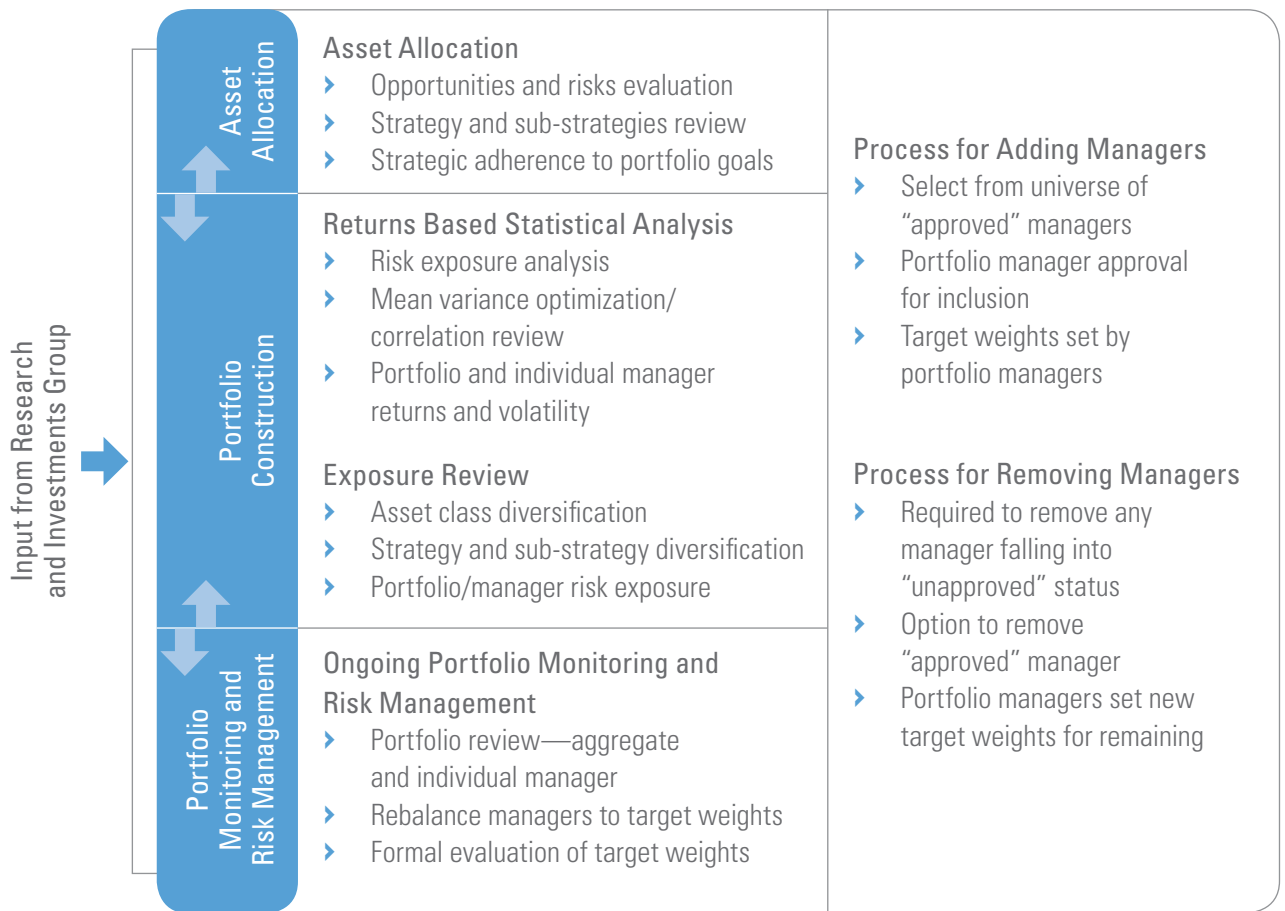
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Step 4: Portfolio Management



Comprehensive Knowledge a Must

For those funds within our suite that represent a multi-manager approach, the Altegris Portfolio Managers review various metrics, such as return analysis and risk profiles, to build a portfolio of approved managers based on the investment objectives of each individual strategy. The information utilized by the Portfolio Managers is developed from the Research and Investments Group, which also provides additional input from their findings. This careful construction by the Portfolio Managers can only come from decades of experience in alternative strategies.

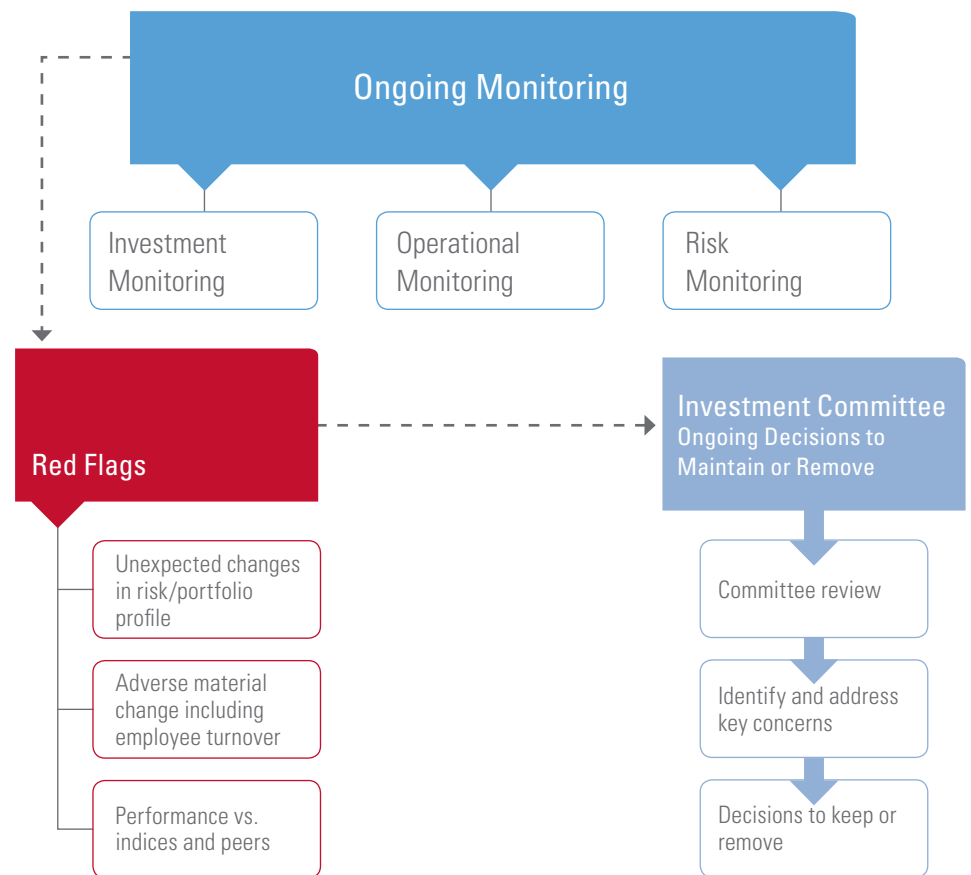


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Step 5: Ongoing Monitoring

Our Job Never Stops

The Research and Investments Group continually performs in-depth analysis of each manager through constant investment, operational and risk monitoring. Each monitoring unit is directly involved in conducting formalized meetings, ongoing quantitative analysis, monitoring of material market events and any material changes. These ongoing reviews look for “red flags” such as material changes in processes, operations, service providers and personnel, abnormal returns or unexpected changes in the risk or profile for the portfolio. If a “red flag” is identified, review by the Investment Committee is triggered, which may result in the manager losing its approval status.



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Tools

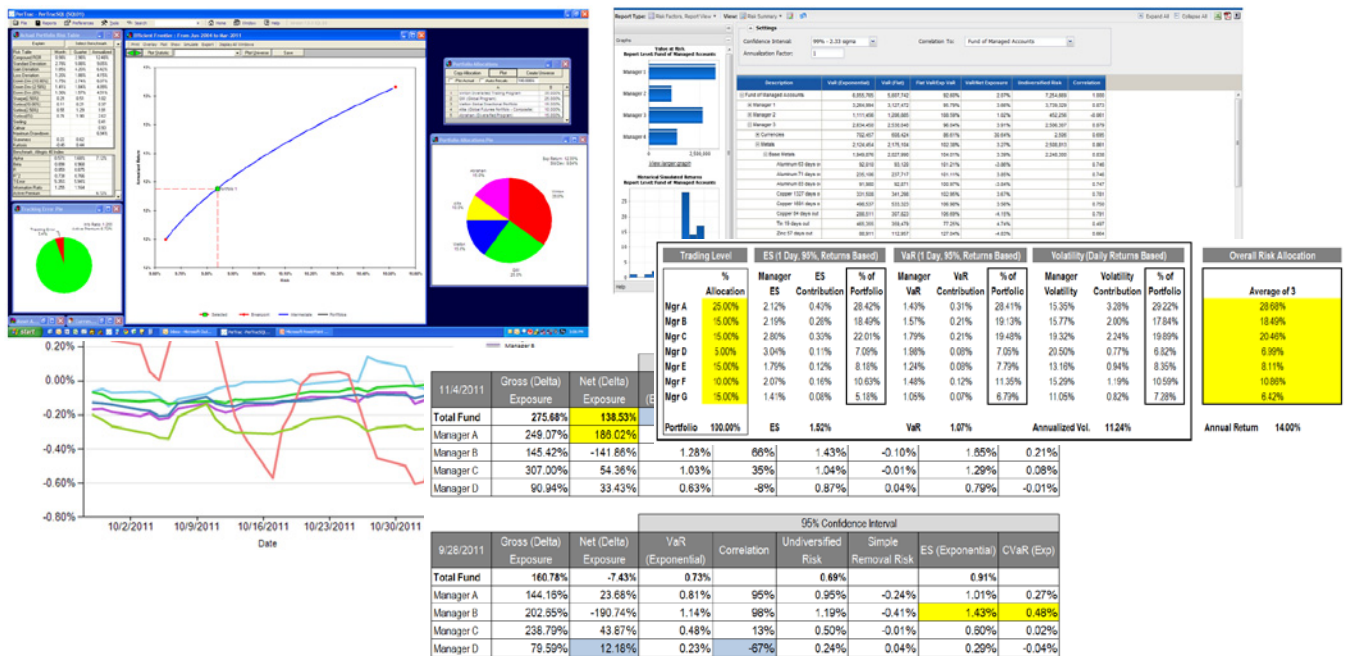
Sophisticated Analytics

The Altegris research and investment process utilizes a variety of tools and analytical software to aid in the selection and continuous analysis of alternative managers. These sophisticated instruments provide invaluable quantitative analysis to complement the in-depth qualitative review.

Our comprehensive research and investments process seeks managers who have a distinguishable edge that is sustainable over the long-term. Our experienced professionals and their deep network within the industry is what separates our process into the upper echelon of alternative manager selection. Of course, no due diligence process can ensure manager performance or eliminate all risk and/or fraud potential.

ANALYTICAL TOOLS AND SOFTWARE

The following represent a small sample of tools utilized in the research and investment process.



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Altegris Advisors

About Altegris

Altegris searches the world to find what we believe are the best alternative investments. Our suite of private funds, actively managed mutual funds and futures managed accounts provides an efficient solution for financial professionals and individuals seeking to improve portfolio diversification.

With one of the leading Research and Investment groups focused solely on alternatives, Altegris follows a disciplined process for identifying, evaluating, selecting and monitoring investment talent across a spectrum of alternative strategies including managed futures, global macro, long/short equity, event-driven and others.

Veteran experts in the art and science of alternatives, Altegris guides investors through the complex and often opaque universe of alternative investing.

Alternatives are in our DNA. Our very name, Altegris, highlights our singular focus on **alternatives**, the highest standards of **integrity**, and a process that constantly seeks to minimize investor **risk** while maximizing potential returns.

The Altegris Companies, wholly owned subsidiaries of Genworth Financial, Inc., include Altegris Investments, Altegris Advisors, Altegris Funds, and Altegris Clearing Solutions. Altegris currently has approximately \$3.36 billion in client assets, and provides clearing services to \$774 million in institutional client assets.

ALTEGRIS ADVISORS
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Disclosure

Hedge funds, commodity pools and other alternative investments involve a high degree of risk and can be illiquid due to restrictions on transfer and lack of a secondary trading market. They can be highly leveraged, speculative and volatile, and an investor could lose all or a substantial amount of an investment. Alternative investments may lack transparency as to share price, valuation and portfolio holdings. Complex tax structures often result in delayed tax reporting. Compared to mutual funds, hedge funds and commodity pools are subject to less regulation and often charge higher fees. Alternative investment managers typically exercise broad investment discretion and may apply similar strategies across multiple investment vehicles, resulting in less diversification. Trading may occur outside the United States which may pose greater risks than trading on U.S. exchanges and in U.S. markets. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

There are substantial risks and conflicts of interests associated with Managed Futures and commodities accounts, and you should only invest risk capital. The success of an investment is dependent upon the ability of a commodity trading advisor (CTA) to identify profitable investment opportunities and successfully trade. The identification of attractive trading opportunities is difficult, requires skill, and involves a significant degree of uncertainty. CTAs have total trading authority, and the use of a single CTA could mean a lack of diversification and higher risk. The high degree of leverage often obtainable in commodity trading can work against you as well as for you, and can lead to large losses as well as gains. Returns generated from a CTA's trading, if any, may not adequately compensate you for the business and financial risks you assume. CTAs may trade highly illiquid markets, or on foreign markets, and may not be able to close or offset positions immediately upon request. You may have market exposure even after the CTA has a request for closure or liquidation. You can lose all or a substantial amount of your investment. Managed Futures and commodities accounts may be subject to substantial charges for management and advisory fees. It may be necessary for accounts that are subject to these charges to make substantial trading profits in order to avoid depletion or exhaustion of their assets. The disclosure document contains a complete description of each fee to be charged to your account by a CTA. If you use notional funding, you may lose more than your initial cash investment. 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 future or sell a commodity option you may sustain a total loss of the initial margin funds 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. This brief statement cannot disclose all the risks and other significant aspects of the commodity markets, and you should carefully study the disclosure document before you trade, including the description of the principal risk factors of an investment.

Altegris offers its client's what we believe are high quality alternative investments. As part of our effort to meet that goal, our Research, Legal and Compliance teams are committed to providing high quality due diligence on the investments on our platform.

The term due diligence as it relates to securities offerings has its origins in the Securities Act of 1933 and provided a defense to underwriters in public offerings who could demonstrate that they made a reasonable investigation and reasonable determination that the terms of the registration statement were correct. The terms "reasonable investigation and made a reasonable determination" came to mean the standard of reasonableness that a prudent man would exercise in dealing with his property. Originally, the term was limited to public offerings of equity investments, but over time it has come to be associated with investigations relating to private and other offerings as well.

Of course, due diligence is not a panacea against investment failures or even against fraud. Even a well run fund can fail due to unpredictable market conditions, unforeseen competition, or technical setbacks. All investments contain risks and alternative investments are subject to a set of unique risks. Similarly, some frauds are difficult or impossible to detect regardless of the thoroughness of the due diligence effort.

As a result, our due diligence effort is not a guarantee that the funds we offer will succeed or that we can uncover every instance of fraud or potential fraud. Rather, it is designed to help us determine whether the management and operations of the investments on our platform have sound operating and trading infrastructures and to increase the odds that their managers are doing what they say they do and will continue to do so.

Our due diligence is performed by a team of individuals from our Management, Legal, Research and Compliance Teams. Although there are components of our due diligence efforts that are common to all of the investments we offer, each due diligence effort will rise or fall in light of the particular facts and circumstances of each offering.

Altegris Investments, Inc. (Altegris), a broker-dealer and FINRA member, recommends a platform of alternative investments including hedge funds, futures funds and alternative strategy mutual funds. Through its affiliate, Altegris Clearing Solutions, a futures introducing broker, commodity trading advisor and NFA member, Altegris clients may also access a platform of managed futures trading programs.

Altegris Advisors LLC is an SEC-registered investment adviser that advises alternative strategy mutual funds that may pursue investment returns through a combination of managed futures, equities, fixed income and/or other investment strategies.

Altegris and its affiliates are subsidiaries of Genworth Financial, Inc. and are affiliated with Genworth Financial Wealth Management, Inc., and include: (1) Altegris Advisors, LLC, an SEC registered investment adviser; (2) Altegris Investments, Inc., an SEC-registered broker-dealer and FINRA member; (3) Altegris Portfolio Management, Inc. (dba Altegris Funds), a CFTC-registered commodity pool operator, NFA member and California registered investment adviser; and (4) Altegris Clearing Solutions, LLC, a CFTC-registered futures introducing broker and commodity trading advisor and NFA member. The Altegris Companies and their affiliates have a financial interest in the products they sponsor, advise and/or recommend, as applicable. Depending on the investment, the Altegris Companies and their affiliates and employees may receive sales commissions, a portion of management or incentive fees, investment advisory fees, 12b-1 fees or similar payment for distribution, a portion of commodity futures trading commissions, margin interest and other futures-related charges, fee revenue, and/or advisory consulting fees.

Genworth Financial, Inc. (NYSE:GNW) is a leading Fortune 500 insurance holding company with more than \$100 billion in assets and employs approximately 6,500 people. Genworth has leadership positions in offerings that assist consumers protect themselves, invest for the future and plan for retirement, and also offers mortgage insurance to help consumers achieve homeownership while assisting lenders manage risk and capital.



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