

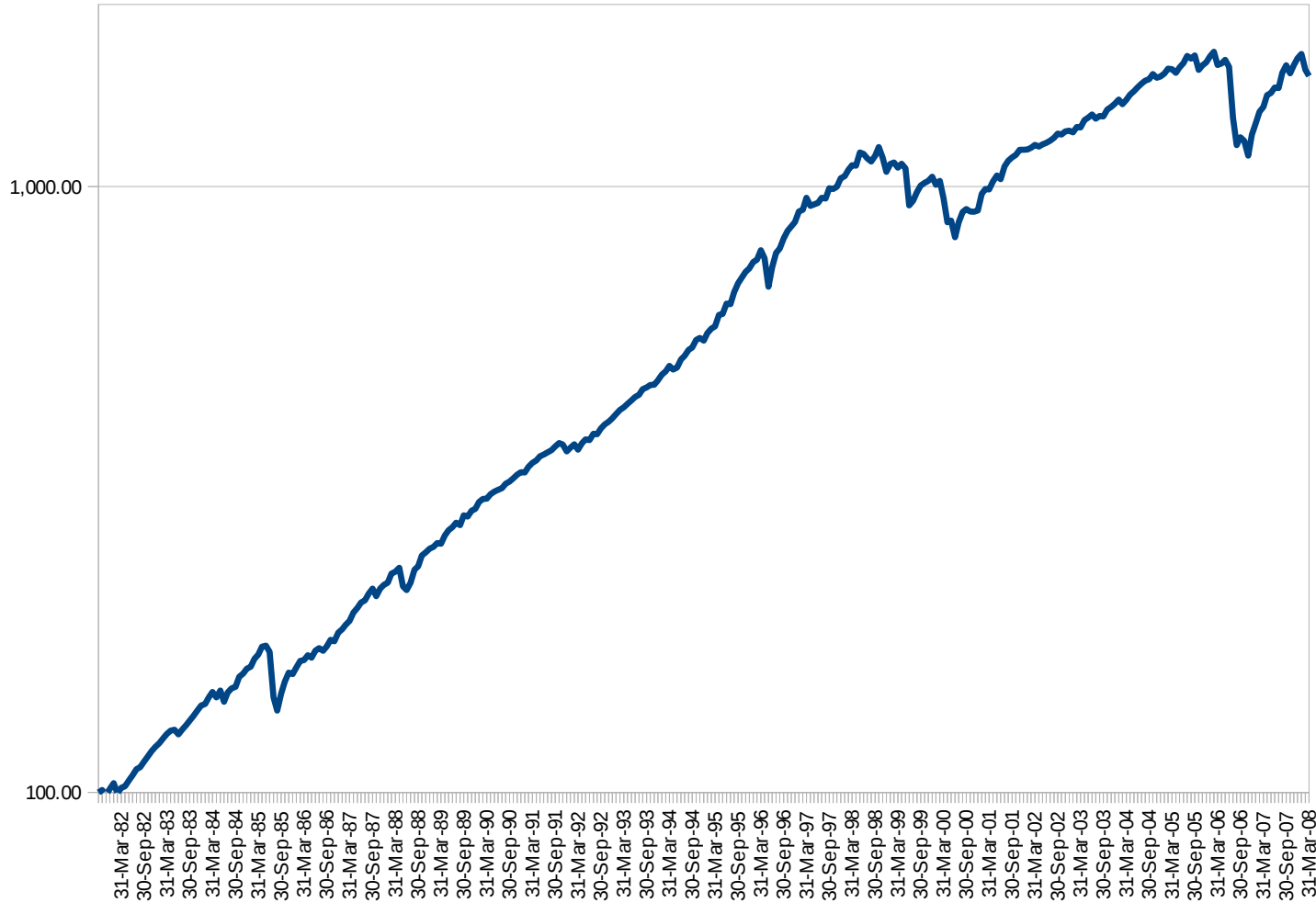
Alpha Generating Hedge Fund Clones

White Box Emulation using the TACTECS Criteria

TACTECS

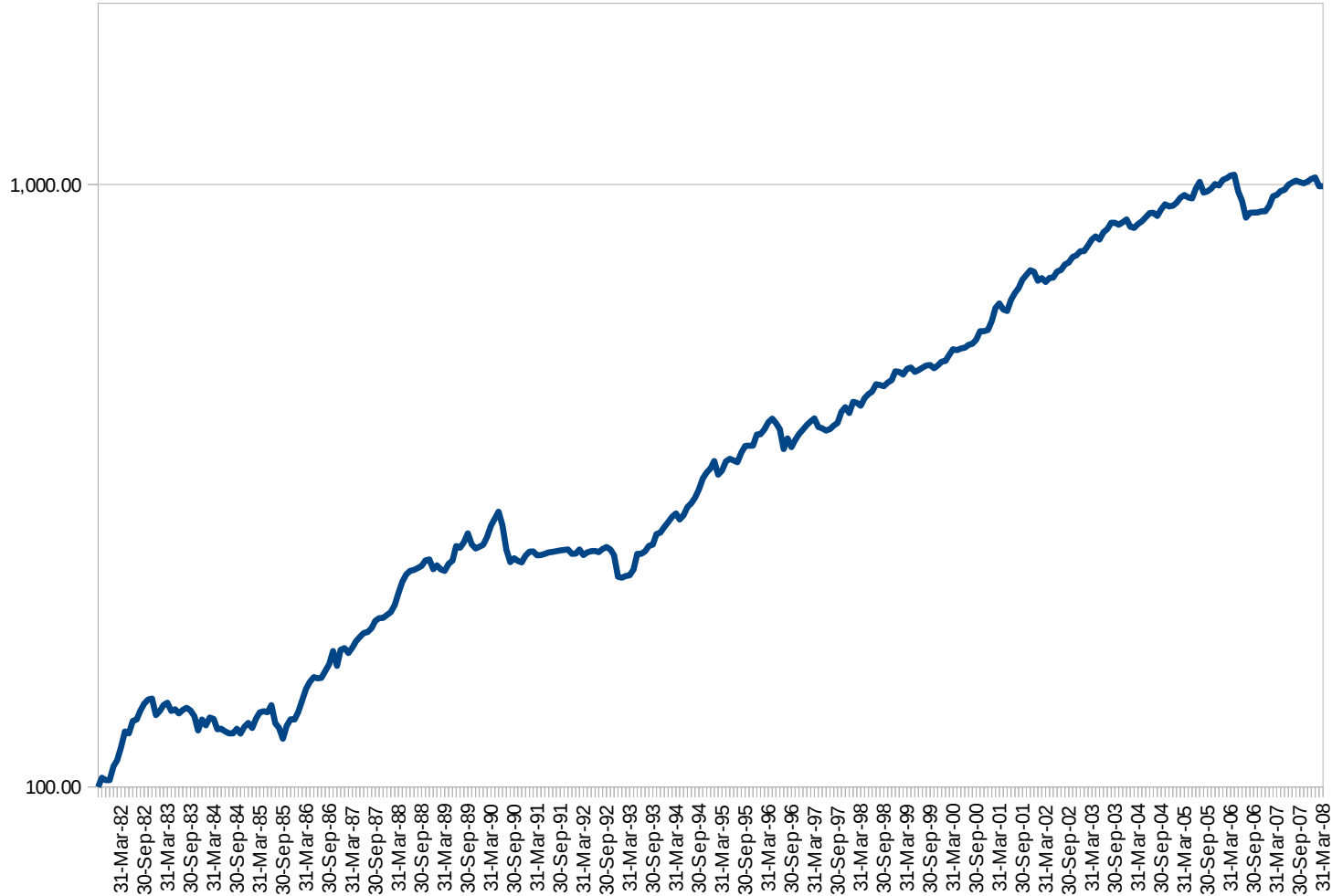
- TA: Theoretically Accurate
- CT: Combat Tested
- EC: Empirically Confirmed
- S: Simple

Covered Calls



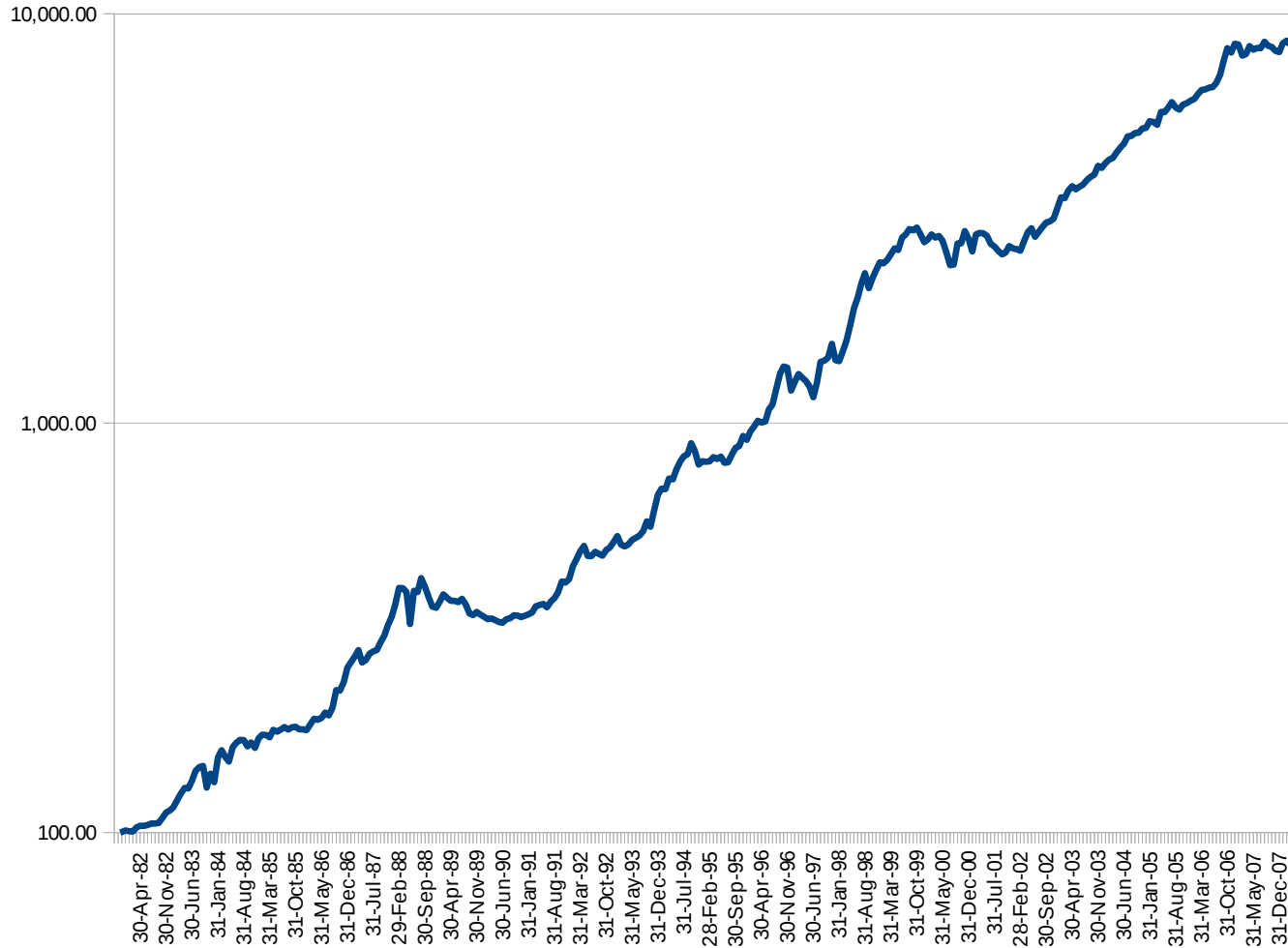
- rtn: 13% pa
- vol: 9% pa
- Sharpe: 0.8

FX Carry



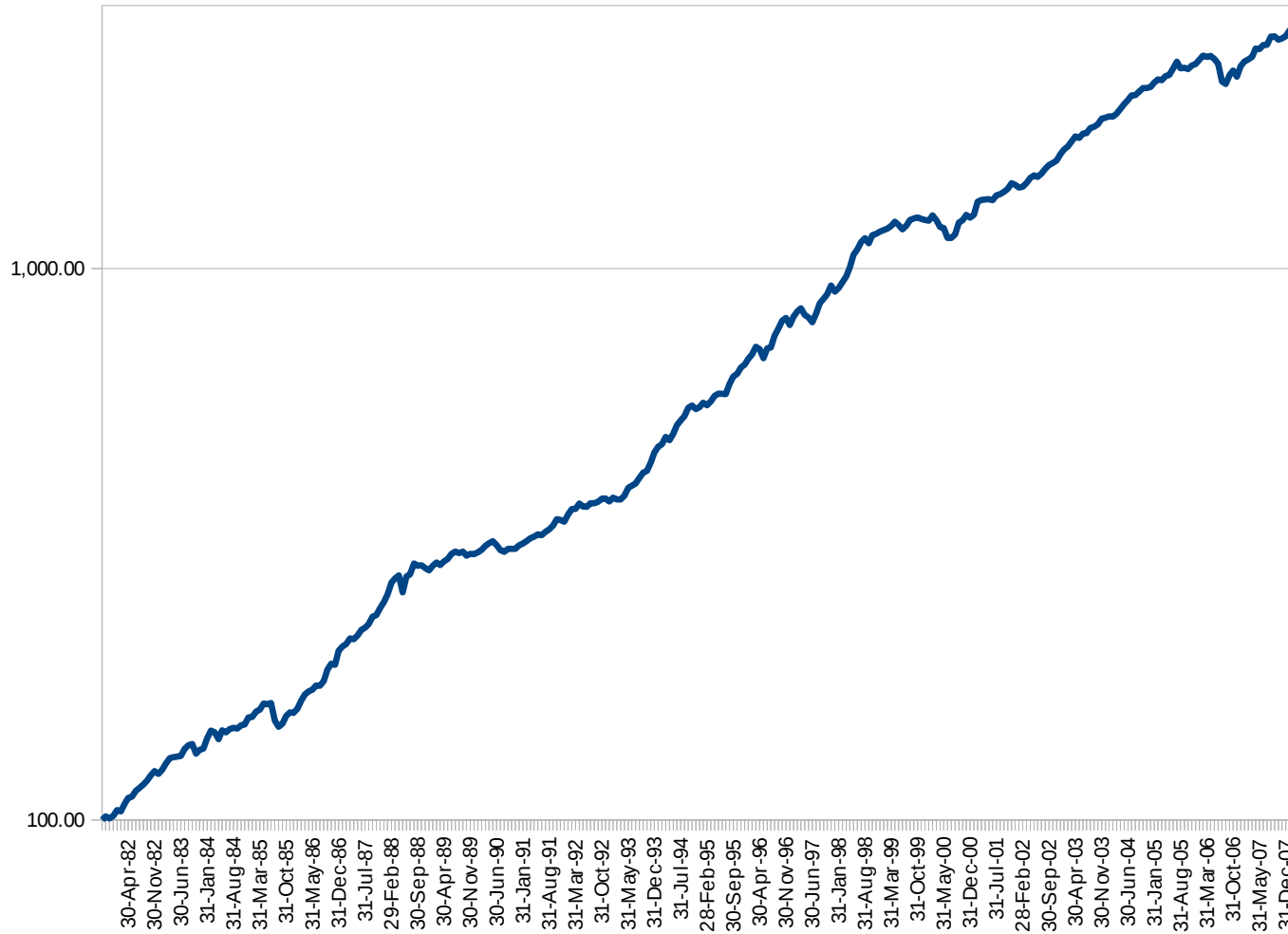
- rtn: 10% pa
- vol: 9% pa
- Sharpe: 0.6

Commodity Roll Yield Arb



- rtn: 17% pa
- vol: 15% pa
- Sharpe: 0.8

Combined



- rtn: 13% pa
- vol: 7% pa
- Sharpe: 1.2
- alpha: 8%

Clone Performance (no fees)

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Jan	1.4%	2.2%	-3.9%	1.4%	3.4%	2.4%	0.6%	0.2%	-1.8%	-0.0%	2.6%	1.3%	0.7%
Feb	-0.9%	1.8%	1.6%	0.3%	1.5%	-0.4%	3.0%	-1.2%	0.8%	0.0%	-0.3%	0.1%	3.6%
Mar	1.1%	-1.2%	0.5%	3.0%	-0.2%	6.0%	2.5%	-1.0%	-0.1%	1.4%	-0.7%	-1.2%	4.2%
Apr	2.4%	1.6%	4.5%	0.3%	1.6%	1.7%	3.1%	1.9%	0.7%	0.8%	3.0%	1.6%	2.5%
May	-0.5%	2.8%	3.2%	2.2%	3.5%	1.0%	5.2%	1.4%	1.1%	1.0%	2.3%	-0.8%	1.0%
Jun	3.2%	2.2%	-0.7%	0.9%	2.7%	2.4%	1.7%	-1.0%	1.7%	1.2%	0.1%	0.1%	3.2%
Jul	2.5%	0.4%	-2.8%	2.6%	1.3%	-0.4%	1.3%	1.5%	1.1%	0.6%	2.2%	1.6%	-1.4%
Aug	0.5%	0.2%	3.8%	-0.3%	0.7%	1.6%	-6.8%	1.0%	0.9%	0.9%	-1.2%	3.4%	2.7%
Sep	2.4%	0.4%	-0.9%	0.5%	1.8%	2.4%	6.9%	2.1%	-1.6%	-0.3%	-0.1%	0.9%	3.5%
Oct	1.3%	3.0%	1.5%	-7.0%	-0.1%	0.8%	0.8%	1.0%	-2.0%	1.4%	1.5%	1.0%	2.0%
Nov	1.4%	1.5%	0.5%	-2.7%	2.0%	1.6%	4.7%	-0.6%	-0.8%	1.0%	-0.1%	2.3%	1.9%
Dec	1.7%	0.4%	-0.3%	1.3%	5.0%	3.1%	-1.0%	0.7%	1.4%	1.7%	0.6%	2.2%	3.5%
Annual	18.1%	16.6%	7.1%	2.4%	25.9%	25.2%	24.7%	6.3%	1.2%	10.3%	10.5%	13.1%	31.6%

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Jan	1.0%	1.1%	3.3%	1.9%	3.5%	0.5%	0.9%	1.2%	0.8%	1.0%	1.4%	-0.5%	1.9%	-1.4%
Feb	-1.4%	2.7%	1.1%	3.6%	0.5%	-0.6%	2.3%	2.4%	1.1%	2.4%	0.1%	1.4%	-2.5%	0.5%
Mar	0.9%	1.2%	-2.9%	-2.5%	1.0%	-0.4%	-1.1%	-0.6%	2.6%	0.4%	0.3%	0.7%	4.5%	1.0%
Apr	1.8%	2.4%	3.6%	1.5%	0.7%	-0.4%	1.1%	-1.2%	1.9%	0.6%	2.0%	1.8%	1.9%	2.4%
May	-1.0%	1.9%	2.2%	2.5%	0.5%	2.3%	5.6%	0.3%	1.3%	-0.1%	1.2%	1.7%	0.8%	-2.5%
Jun	1.6%	3.2%	1.3%	2.5%	1.2%	-2.0%	0.8%	1.6%	2.2%	1.4%	-0.3%	-0.5%	1.1%	-1.5%
Jul	2.3%	-0.9%	-2.7%	3.8%	1.7%	-2.8%	0.2%	2.1%	2.1%	2.0%	1.7%	0.4%	3.5%	
Aug	0.9%	-3.8%	-1.0%	5.5%	-1.4%	-0.5%	0.1%	1.1%	-0.7%	1.9%	0.5%	-1.3%	-0.2%	
Sep	-0.0%	4.2%	-2.0%	2.3%	-1.7%	-4.0%	-0.4%	-0.6%	1.8%	1.8%	2.7%	-2.0%	1.6%	
Oct	-0.2%	0.3%	3.6%	3.1%	1.5%	-0.0%	2.0%	1.4%	0.2%	1.9%	2.9%	-7.1%	0.2%	
Nov	4.3%	5.1%	4.5%	1.5%	2.5%	1.6%	0.6%	2.1%	2.1%	0.1%	-2.7%	-1.1%	3.4%	
Dec	3.3%	3.1%	1.9%	-2.1%	0.6%	5.1%	0.9%	1.6%	0.5%	1.5%	0.2%	3.8%	0.0%	
Annual	14.3%	22.8%	13.8%	26.6%	11.1%	-1.3%	13.8%	12.1%	17.5%	16.0%	10.6%	-2.6%	17.9%	-1.4%