

2011

Quick Review

Managed Futures Mutual Funds

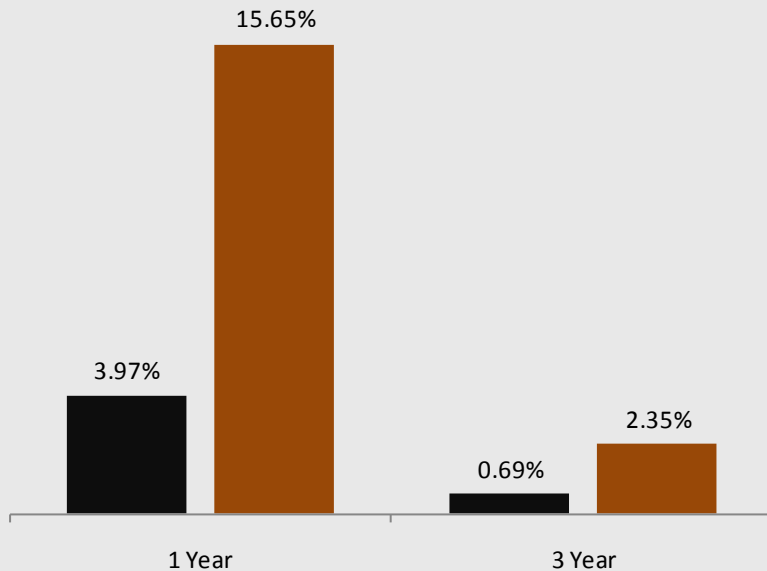
We surveyed **367** Investment Advisory firms to find out how many are currently using Alternative Mutual Funds.

Only **20%**

of those who responded stated they currently use Alternative Mutual Funds for their clients.



Annualized Performance History | As of 03/31/2011



A. Managed Futures Mutual Funds have underperformed in the short term.

B. These Funds are relatively new, so performance history is limited.

What About 2008?
(Next Slide)

Chart Legend:

Morningstar Managed Futures Funds
S&P 500 Index

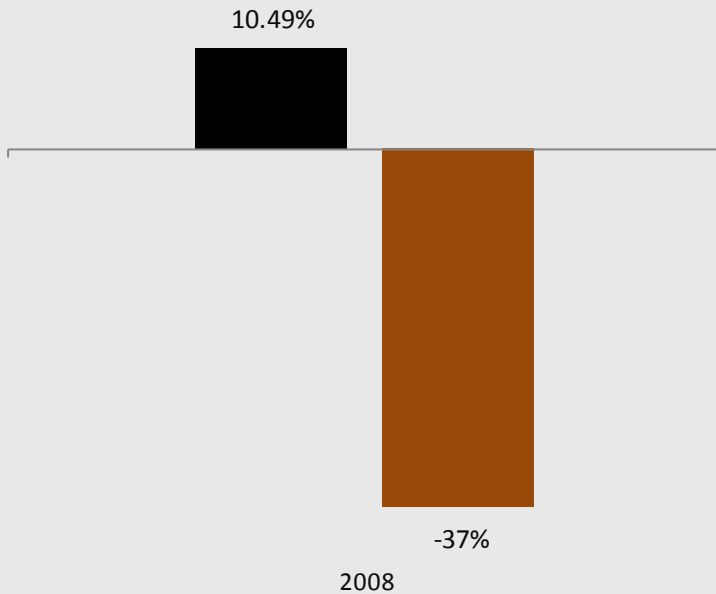
Data shown is: 03/2008 to 03/2011 Source: Informa Investment Solutions, Inc. Performance figures are annualized. The Morningstar Managed Futures category consists of 41 mutual funds as of 03/31/2011. Funds closed during the time period are not included in this performance figure analysis. If a mutual fund within the category does not have a return figure for a period, the category return is computed based on a rebalance of the performance figures for the remainder of the funds.

MANAGED FUTURES PERFORMANCE

Managed Futures programs are typically made up of a variety of different strategies within each respective fund. Most strategies are based on investing in short and/or long-term trends borne in many asset classes. These asset classes include interest rates, equity indices, currency, commodities and additional sub-categories. Such sub-categories may include individual energy commodities, hard and soft agricultural commodities, and metals. The managed futures strategies involve engaging in long futures positions as well as short futures positions. The programs are usually diversified across the sub-categories to provide a broad exposure to the opportunities in the different asset classes. Since the programs are utilizing futures contracts to gain exposure, they are levered strategies. Leverage may result in additional risk in the strategy, further compounded by exposure to volatile areas, such as commodities. As a result of the broad exposure used by Managed Futures, we believe it is fair to suggest that these programs have little to no relation to traditional benchmarks such as the S&P 500. However, since investment practitioners continue to rely upon the S&P 500 as a benchmark for 'relative' performance, we examine the category's performance against the S&P 500 and discuss the results. The mutual funds in this category are relatively new and only 41 funds are currently in this space, which limits our ability to review the long-term performance of the programs. As illustrated in the chart above, Managed Futures Mutual Funds have underperformed in both the one and three year time periods. As previously mentioned, the vast diversification of these products make it important to consider the differences when benchmarking. For example, just 10% to 20% of most managed futures programs allocate to equity related futures contracts.



Performance in 2008 | As of 03/31/2011



Managed Futures Programs performed particularly well during the downturn of 2008.

What About Risk?
(Next Slide)

Chart Legend:
Morningstar Managed Futures Funds
S&P 500 Index

Data shown is: 12/2007 to 12/2008 Source: Informa Investment Solutions, Inc. Performance figures are annualized. The Morningstar Managed Futures category consists of 41 mutual funds as of 03/31/2011. Funds closed during the time period are not included in this performance figure analysis. If a mutual fund within the category does not have a return figure for a period, the category return is computed based on a rebalance of the performance figures for the remainder of the funds.

MANAGED FUTURES MUTUAL FUNDS, GOOD RELATIVE RETURNS IN 2008?

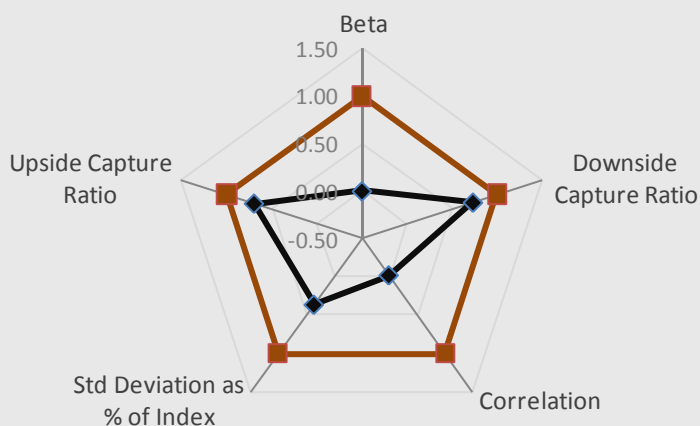
In 2008, the variety of exposures provided by the Managed Futures based programs provided significant diversification. Since the programs generally seek up to 80% or 90% of their returns from non-equity related areas both on the long and short side, the potential for non-related performance is clear. During 2008, the category returned 10.49%, during a period when the equity markets took sharp losses. Many attribute the strong performance to the strong rising trends in commodities, and volatility in interest rates and currency.

PERFORMANCE OF VARIOUS INDICES DURING 2008

	% Return
Dow Jones Industrial Avg.	-32.00
NASDAQ 100 Index	-41.88
MSCI EAFE Index	-43.38
NAREIT (Real Estate) Index	-37.74
Barclays Aggregate Bond Index	5.24
Barclay CTA Index	14.09
Barclay Currency Index	3.50



Radar Map of Risk Statistics | As of 03/31/2011



- A. Managed Futures Mutual Funds have offered very low (0) beta for investors.
- B. During shorter time frames, Managed Futures Mutual Funds have underperformed.

Chart Legend:

Morningstar Managed Futures Funds
S&P 500 Index

Data shown is: 03/2008 to 03/2011 Source: Informa Investment Solutions, Inc. Performance figures are annualized. The Morningstar Managed Futures category consists of 41 mutual funds as of 03/31/2011. Funds closed during the time period are not included in this performance figure analysis. If a mutual fund within the category does not have a return figure for a period, the category return is computed based on a rebalance of the performance figures for the remainder of the funds.

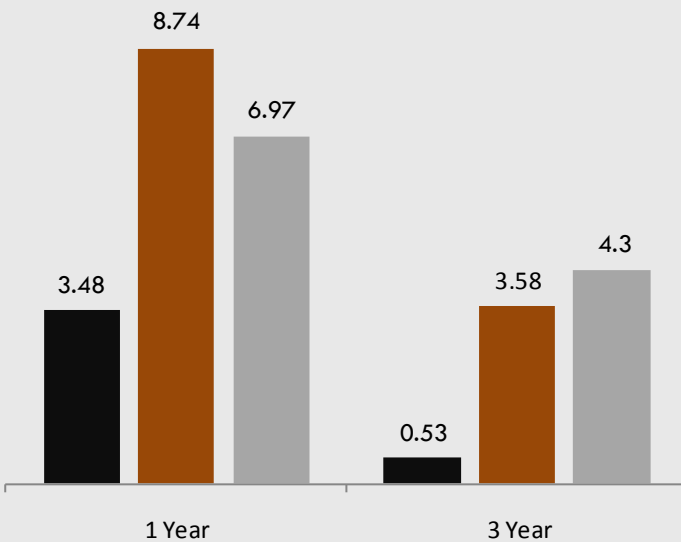
MANAGED FUTURES MUTUAL FUNDS HAVE VARYING RISK CHARACTERISTICS

The Radar Graph of the Managed Futures Mutual Fund category tells a very interesting story in terms of risk metrics. Beginning with the figure of beta, which is zero for the category. This figure serves as a testament that Managed Futures strategies are typically widely diversified with minimal exposure to broad equity indices. Furthermore, correlation of the group and the S&P 500 is just .02, illustrating that there is virtually no correlation between the two. The volatility of the mutual fund group is significantly lower, measured by standard deviation, than the equity index at 8.51 versus 23.32 of the S&P 500 Index or about one third of the equity based volatility.

We believe that the benefits of this group are clear, and they are probably the best example of how diversification of strategy can mitigate the risk of an equity focused portfolio.



Returns vs. Hedge Fund Counterparts | As of 03/31/2011



During shorter time frames, Managed Futures Mutual Funds have underperformed.

Chart Legend:

Morningstar Managed Futures Funds

Dow Jones Managed Futures Hedge Funds

Barclay's CTA Index

Data shown is: 03/2008 to 03/2011 Source: Informa Investment Solutions, Inc. Performance figures are annualized. The Morningstar Managed Futures category consists of 41 mutual funds as of 03/31/2011. Funds closed during the time period are not included in this performance figure analysis. If a mutual fund within the category does not have a return figure for a period, the category return is computed based on a rebalance of the performance figures for the remainder of the funds.

MANAGED FUTURES MUTUAL FUNDS HAVE HAD DIFFERENT RETURNS THEN HEDGE FUNDS

The bar graph above illustrates the short-term (at least) disconnect between the group of managed futures mutual funds currently represented in the Morningstar category. This could be a sampling result of the mutual funds included as the Morningstar category only has 41 funds that make up the performance figures, or this could be an indication of how well these funds represent their originating counterparts. This analysis has limited scope as the mutual funds in this space are very new and do not generally exceed three years in age.



Consider the Sherwood Forest Long/Short Program

What Are Our Advantages?

1. **Our Passionate** execution of risk management, designed to limit large losses and drawdown in our portfolio.
2. **Our Commitment** to unbiased and opportunistic investing, we are committed to find opportunities in both bull or bear markets, unlike many long/short funds that have long-biased strategies.
3. **Our Flexibility**, the fund's portfolio can be fully in cash or fully invested depending on the market environment.
4. **Our Attention** to detail, we continuously monitor each holding to diligently manage risk and assess return the profiles of our positions.
5. **Our Focus** is on a single strategy, the Sherwood Forest Long/Short program, so our expertise and undivided attention are dedicated to your long/short allocation with us.

For More Information on Sherwood Forest Capital Management

Visit: SherwoodAdvisor.com

Call: 1.800.718.0556



¹ Actual number of Morningstar Long/Short funds: 206 before adjusting for the additional share classes, 76 funds as of 12/31/2009 after adjusting for additional share classes.

Index Definitions:

The S&P 500: An unmanaged index of 500 large-cap domestic stocks that is commonly used as a proxy for the large-cap stock market. Historically, the index has targeted a composition of 400 industrial companies, 40 financial companies, 40 utility companies, and 20 transportation companies. The index does not contain real estate investment trusts. Changes in the index composition may be made at any time. Performance numbers for the index are a size-weighted average of the performance numbers for each index constituent.

Dow Jones Industrial Average: Price weighted average of 30 actively traded shares of the blue chip US industrial corporations listed on the New York Stock Exchange. The trend in the movement of the market value of these shares is considered to be an indicator of the movement of the entire US stock market. The corporations included in DJIA change from time to time and generally represent about 20 percent of the market value of all shares traded on NYSE.

Nasdaq 100 Index: Consists of the 100 largest and most actively traded non-financial stocks on the Nasdaq. **Dow Jones Industrial Average:** A price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq.

The MSCI EAFE® Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. The index consists of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

The NAREIT index is an unmanaged index of securities that meet the definition of Real Estate Investment Trust (REIT) and are traded on the NYSE, AMEX, or NASDAQ. REITs are investments in rental properties, and are required to pay out 95% of their earnings each year as dividends. Performance numbers for the index are a size-weighted average of the performance numbers for each index constituent.

Barclays Capital Aggregate Bond Index: Is an unmanaged index made up of the following fixed-income securities: all debt securities issues to the public by the U.S. Government or its agencies, as well as quasi-federal corporations or corporate debt guaranteed by the U.S. Government; all public obligations of the U.S. Treasury except flower bonds and foreign-targeted issues; all 15-year and 30-year fixed-rate securities backed by mortgage pools of GNMA, FHLMC, and FNMA, with the exception of graduated payment mortgages, manufactured home mortgages, and graduated equity mortgages; and all publicly-issued, fixed-rate, non-convertible, investment-grade, dollar-denominated, SEC-registered corporate debt securities with at least one year to maturity and an outstanding par value of at least \$100 million

The Barclay CTA Index: A leading industry benchmark of representative performance of commodity trading advisors. There are currently 488 programs included in the calculation of the Barclay CTA Index for the year 2009, which is un-weighted and re-balanced at the beginning of each year.

The Barclay Currency Traders Index: An equal weighted composite of managed programs that trade currency futures and/or cash forwards in the interbank market. In 2009 there are 124 currency programs included in the index.



Statistics Definitions:

Cumulative Upside Market Capture Ratio –the Cumulative Upside Market Capture Ratio measures the manager’s performance in up markets relative to the performance of the market (index) itself. An up market is defined as any period (month or quarter) where the market’s return is greater than or equal to zero.

Standard Deviation – Standard Deviation measures the central tendency of a probability distribution. The more a product varies from its mean, the higher the standard deviation.

Beta – A measurement indicating the volatility of a manager relative to a chosen market. A beta of 1 means a manager has about the same volatility as the market. Higher betas are associated with higher risk levels, while lower beats are associated with lower risk levels.

Correlation Coefficient – Correlation measures the strength and direction of linear association between two variables. This coefficient allows the user to determine which combination of managers/products will best complement each other. The range of values is from -1 to 1. A value of negative 1 indicates a perfectly negative linear relationship, whereas a value of positive 1 indicates a perfectly positive linear relationship. A value of 0 indicates no linear relationship at all.

Cumulative Downside Market Capture Ratio - measures the manager’s performance in down markets relative to the performance of the market (index) itself. A Cumulative down market is defined as any period (month or quarter) where the market’s return is less than zero.

R-Squared – Squared (sometimes referred to as the coefficient of determination) measures the reliability of the statistical estimates of alpha and beta as a linear function of the market. A product with a high R-Squared can generally have most of its variance explained by the variations in the benchmark index. As a consequence, the estimates of alpha and beta can be used with confidence.

Sharpe Ratio - Population – The Sharpe Ratio - Population is a measure of risk-adjusted return. It divides excess return by risk. Excess return is defined as the annualized return of the manager minus the annualized return of the risk free rate. Risk is defined by standard deviation. A high value for the Sharpe Ratio is generally considered to be positive since either the excess return is rather large or the level of risk is low.

Batting Average – is defined as the number of periods that the product outperforms the benchmark divided by the total number of periods for the entire period. It is a percentage indicating the probability of outperforming the index in a given date range.

Calmar Ratio - is a risk/return ratio that shows the annualized rate of return relative to the absolute value of the maximum drawdown, the higher the Calmar ratio, the better. Some funds have high annual returns, but they also have extremely high drawdown risk. Most people use data from the past 3 years in assessing results of this ratio

Kurtosis - is a measure of “peakedness” of a probability distribution. Higher kurtosis values indicate that more of the variance comes from infrequent extreme deviations. Lower kurtosis values indicate that the smaller and more frequent deviations are responsible for more of the variance.

Skewness - Skewness measures the asymmetry of a probability distribution. A negative value indicates that the left tail of the distribution is longer, where a positive value indicates that the right tail is longer. The skewness of a standard normal distribution is zero.

Sterling Ratio - The Sterling Ratio is another version of a risk-adjusted return. The return of the manager is divided by the average of the maximum yearly drawdowns.

T Statistic - The T-Statistic is used to measure a hypothesis test. In the case of PSN, it is used to see if the mean return is different from 0.