



Hybrid Strategies from ACE Investment Strategists, LLC

ACE Investment Strategists, LLC (“ACE”) has two managed futures strategies that utilize the unique hybrid trading approach of Yu-Dee Chang, Principal and Head Trader of ACE. The Stock Index Hybrid Approach (“SIHA”) has been trading since November 2007 and ACE recently launched the Multi Market Hybrid Approach (“MMHA”) in January of 2011.

Please be advised that trading futures and options involves substantial risk of loss and is not suitable for all investors. There is no guarantee that these programs will continue to profit in the future. Nor is there any guarantee that these programs will not suffer future losses. Past performance is not necessarily indicative of future results.

SIHA Overview

Strategy: Option Writing

Sectors: Stock Index Futures

Minimum Investment: \$100,000

The objective of the SIHA is to enhance the consistency of overall returns by taking potential advantage of various market conditions with a vast array of investment vehicles and techniques. It is central to this strategy that ACE makes use of its flexibility to match the optimum trading style with specific market situations.

“It’s a simple formula: match the optimum trading approach to the current market environment and adjust as that changes,” stated Yu-Dee. “Of course, it’s a bit more complex than that. It takes stern dedication to be that flexible and committed to your trading program, disregarding all distractions. It takes experienced and seasoned trading.”

The SIHA focuses on stock index futures, which can offer potential growth opportunities, and/or options on those futures which can add leverage and versatility. ACE may choose to use spreads, long or short the future or the

option, swing-trade the future, apply dollar-cost-averaging approaches, or other trading styles, very much directed by, and in sync with, the market situation at the time.

THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.

STRATEGIES USING COMBINATIONS OF POSITIONS, SUCH AS “SPREAD” AND “STRADDLE” POSITIONS, MAY BE AS RISKY AS TAKING SIMPLE “LONG” OR “SHORT” POSITIONS. THERE IS UNLIMITED RISK OF LOSS IN SELLING OPTIONS.

The appropriate investor for this strategy will be the investor who is looking for a growth component for his/her investment portfolio and has sufficient risk capital to cover the required minimum starting requirements. At least 18 months should be allowed to evaluate performance of this strategy so as to experience a range of market conditions in terms of trending and consolidating markets, volatility and the market response to economic and other outside factors. Be advised that trading futures and options involves substantial risk of loss and is not suitable for all investors.

MMHA Overview

Strategy: Option Writing

Sectors: Stock Index Futures, Currencies, Metals, Energies, Grains

Minimum Investment: \$100,000

The MMHA uses the same trading strategy as ACE’s SIHA, but there are some key differences. This strategy combines stock index futures with selected commodity futures and options to offer the potential of greater returns



than the SIHA strategy alone due to the low correlation of performance between and among stocks and many commodity markets. It is identical to the SIHA in that it will use futures and options separately or in combination, and trade the three stages of the market in an endeavor to obtain optimum results. ACE will select commodities opportunistically and consistent with their liquidity and timeliness.

Examples of commodity categories likely to be included are foreign currencies, the credit markets, precious metals, energy products, grains, "softs" and the meat complex, among others. Each commodity market has unique characteristics, and therefore, is subject to unique trading parameters and style. Strict risk management techniques are an integral part of the strategy, using predetermined stop loss points which are designed to limit losses and protect gains. The use of stop loss or contingent orders may not protect profits or limit losses to the amounts intended. Certain market conditions make it

difficult or impossible to execute such orders.

The appropriate investor for the MMHA will be someone who has had experience trading commodities, who is comfortable with frequent trading and exposure to higher than average risk in order to achieve potentially higher than average returns. It is suggested that at least 20 months should be allowed to evaluate performance of the MMHA strategy.

"We believe the ACE Hybrid approach has proven itself worthy, providing smooth, consistent, and attractive returns," said Yu-Dee. Be advised past performance is not necessarily indicative of future results. "We love it and in our opinion the environment this year will continue to be a great time for our Hybrid and S&P strategies."

To learn more about ACE and the hybrid strategies, please contact ACE at 703 893 8808, or visit www.investwithace.com



Trading futures and options involves substantial risk of loss and is not suitable for all investors. The risk of loss in options writing programs is unlimited. Past performance is not necessarily indicative of future results. There are no guarantees of profit no matter who is managing your money. An investor must read and understand the Commodity Trading Advisors current disclosure document before investing.