Diversified Program

Executive Summary
January 2013

Northfield Trading LP

DISCLAIMER

NORTHFIELD TRADING LP

- Northfield Trading LP ("Northfield") is a United States based Alternative Investment management firm founded by Douglas Bry and Philip Spertus in 1989.

- Northfield is registered as a Commodity Trading Advisor and Commodity Pool Operator with the Commodity Futures Trading Commission and as a Registered Investment Adviser with the Securities and Exchange Commission. Northfield is a member of the National Futures Association and Managed Funds Association.

- Douglas Bry is the President and Chief Portfolio Strategist of Northfield.

- Northfield's goal, through its Diversified Program, is to provide superior risk-adjusted returns which are non-correlated to those of equity and fixed income investments.

- Northfield manages assets over US$260 million for its private and institutional client base worldwide, including public futures funds, 40 Act funds, fund of funds, family offices and high net worth individuals.

NORTHFIELD TRADING LP

1985	1987	1990	1993	1998	2005	2009	2011
Douglas Bry & Phil Spertus begin technical trading research	Technical Trading Strategies retails "*The Volatility Breakout System*" & "*The Trading Simulator*"	Douglas Bry & Phil Spertus form CTA, Northfield Trading LP	Northfield begins a transition from trend-following to shorter-term trading systems	Northfield Implements enhanced research techniques including automated out-of-sample testing and across market analysis	Northfield Implements dynamic money management strategies including automated scaling back of positions and systematic profit-taking	Northfield adds new intraday strategies that enter countertrend and recalculate orders multiple times during the trading day	After 5 years of R&D, Northfield adds a new adaptive system based on artificial intelligence and machine learning
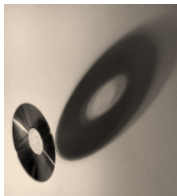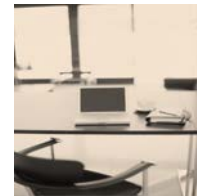
THE DIVERSIFIED PROGRAM

The Northfield Diversified Program is an absolute return strategy that seeks to profit from rising as well as declining price movements throughout the global financial and commodity markets. The Diversified Program employs a multi-system approach that participates in both intermediate-term as well as short-term time frames. Designed to be less trend dependent, the Diversified Program has the potential to be profitable in any market environment.

KEY TRADING MODEL COMPONENTS

- **MOMENTUM / VOLATILITY / RANGE EXPANSION CONCEPTS / PREDICTIVE CONCEPTS**
- **TREND-FOLLOWING CONCEPTS**
- **COUNTERTREND CONCEPTS**
- **DYNAMIC RISK MANAGEMENT**
- **TIME-FRAME AND STRATEGY DIVERSIFICATION**
- **GLOBAL DIVERSIFICATION**

Risk management is integral to the strategy, and risk is analyzed, monitored and controlled at both the individual trade and portfolio level. Please note, that while the Diversified Program is designed to maximize profit potential, trading is always subject to the risk of loss.

SIX INDEPENDENT SOURCES OF RETURN

HOLDING PERIOD AND TRADE FREQUENCY

NORTHFIELD SYSTEM	DESCRIPTION	AVERAGE HOLDING PERIOD (DAYS)	AVERAGE # TRADES (PER YEAR / PER MARKET)
ISCAR	MULTIPLE TIME FRAME INTRADAY COUNTERTREND	3.7	81
VBX3	DAILY VOLATILITY / MOMENTUM – STOCK INDICES	6.4	17.8
VBX2	DAILY VOLATILITY / MOMENTUM – OTHER MARKETS	15.6	9.4
VBPN	WEEKLY VOLATILITY / MOMENTUM	24.4	6.8
DSSA	RATIO BASED TREND-FOLLOWING	41.3	2.8
PMOD	ADAPTIVE /MACHINE LEARNING/ ARTIFICIAL INTELLIGENCE	14.0	15

LOW CORRELATION OF RETURN DRIVERS
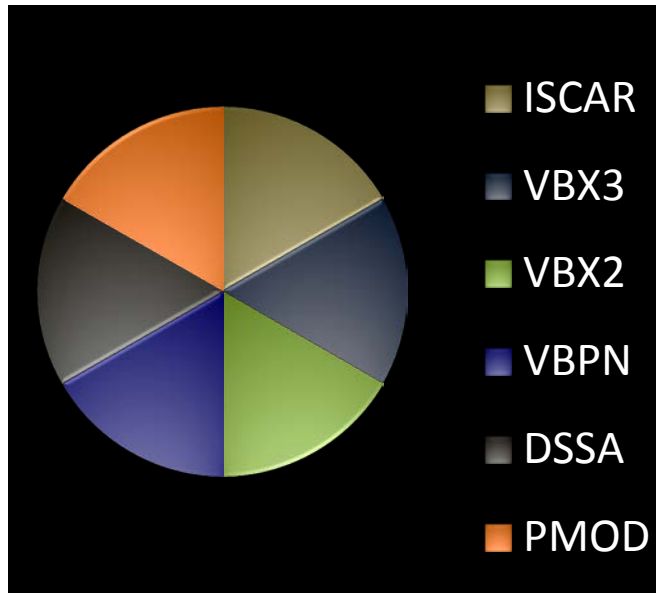
	ISCAR	VBX3	VBX2	VBPN	DSSA	PMOD
ISCAR	1.00					
VBX3	0.08	1.00				
VBX2	0.09	0.10	1.00			
VBPN	0.10	0.37	0.52	1.00		
DSSA	0.09	0.27	0.41	0.54	1.00	
PMOD	0.00	0.01	0.29	0.24	0.37	1.00

Past performance is not necessarily indicative of future results. Futures trading is speculative and subject to the risk of loss.

FIFTY (50) GLOBAL MARKETS SPANNING SEVEN (7) MARKET SECTORS

LONGER-TERM INTEREST RATES
US 30-Year Bond
US 10-Year Note
US 5-Year Note
Canadian Government Bond
German Bund
German Bobl
Japanese Government Bond
Long Gilt

SHORT-TERM INTEREST RATES
Australian 90-Day Bill
Canadian Bankers Acceptance
Eurodollar   Euribor
Short Sterling   US 2-Year Note

STOCK INDICES
S&P 500 Index
Nasdaq Index
Taiwan Index
Dow Jones Index
Euro Stoxx
FTSE Index (UK)
IBEX-35 (Spain)
MIB Index (Italy)
Hang Seng Index (Hong Kong)
DAX Index (Germany)
KOSPI 200 (Korea)
H-Shares China Enterprise
Index (China)

CURRENCIES
Australian Dollar   British Pound
Canadian Dollar   Euro
Euroyen   Japanese Yen
Mexican Peso   NZ Dollar
South African Rand   Swiss Franc

ENERGIES
Brent Crude Oil
Crude Oil
Heating Oil
London Gas Oil
Natural Gas
RBOB Unleaded Gas

Precious Metals
Gold   Silver

GRAINS & SOFTS
Corn   Sugar   Wheat
SOYBEANS   SOYBEAN OIL   SOYBEAN MEAL

NORTHFIELD'S INVESTMENT EDGE INCLUDES:

- A non-discretionary and automated algorithmic trading program.

- Exclusive emphasis on technical analysis utilizing both price and non-price inputs.

- Extensive and ongoing commitment to the creation of proprietary research tools and implementation software.

- Trading logic based on extensive market simulations and testing conducted on historical data in over sixty (60) markets worldwide.

- Similar trading rules applied across markets to produce large statistically valid samples.

- Systems are designed to react to changes in price direction and volatility to detect non-random behavior before a trend is apparent.

- Trading models utilize momentum, volatility, range expansion concepts, trend, counter-trend and predictive approaches.

- An experienced trading team utilizing execution strategies that are based on extensive research into slippage and effective methods to control it.

PREDICTIVE TRADING MODELS:

- After five years of research Northfield has created the Trading Model Generator which uses artificial intelligence and machine learning techniques to create Predictive Trading Models (PMOD).

- Referred to as second generation because it is designed by the computer, PMOD is capable of a range of behaviors and adds a layer of adaptability not possible with conventional trading techniques.

- PMOD draws from an array of market-specific inputs and time series, each of which represents a statistical or mathematical feature of the data.

- Two of the tools used by the Trading Model Generator include Genetic Algorithms and Neural Networks which have the potential to over-fit the data.

- To prevent over-fitting, Northfield applied a combination of techniques including cross-validation, hold-out periods, input perturbation, random sampling, data pooling, model ensembles, aggregation and walk-forward analysis.

- The resulting Predictive Trading Models are robust and by design the research process eliminates models that are prone to over-fitting.

PREDICTIVE TRADING MODELS:

Sample PMOD Input
One Day S&P Trend Continuation Indicator
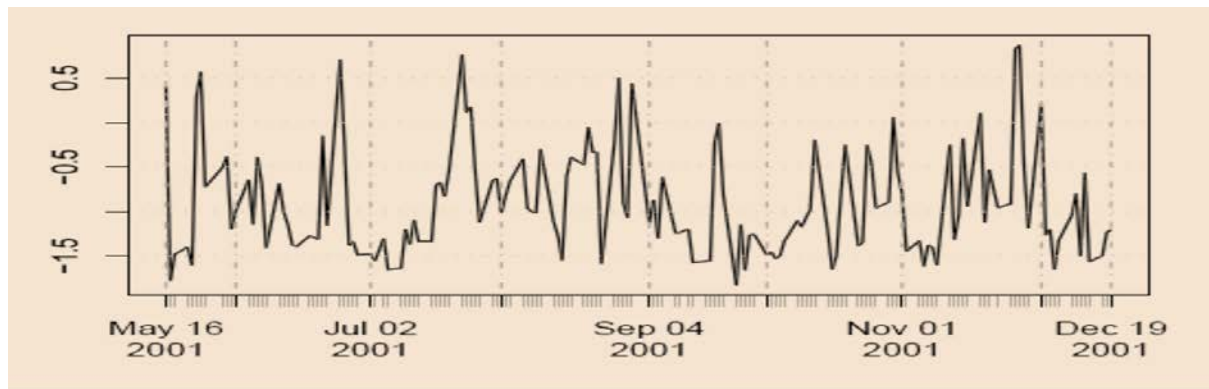
Based on an analysis of short-term runs and reversals, the above chart displays a statistical measure of how much follow-through the S&P shows on a day-to-day basis. More recent research has focused on letting the software design adaptive inputs from lagged prices. Because inputs can be derived from the market being traded, related markets, or the relationship between markets, inter-market analysis is incorporated by design.

PREDICTIVE TRADING MODELS:

Sample PMOD Trades : E-Mini S&P

RecStp   Fixed   Min/Max: 1002.3/1154.4 Color: Long->Green, Short->Red
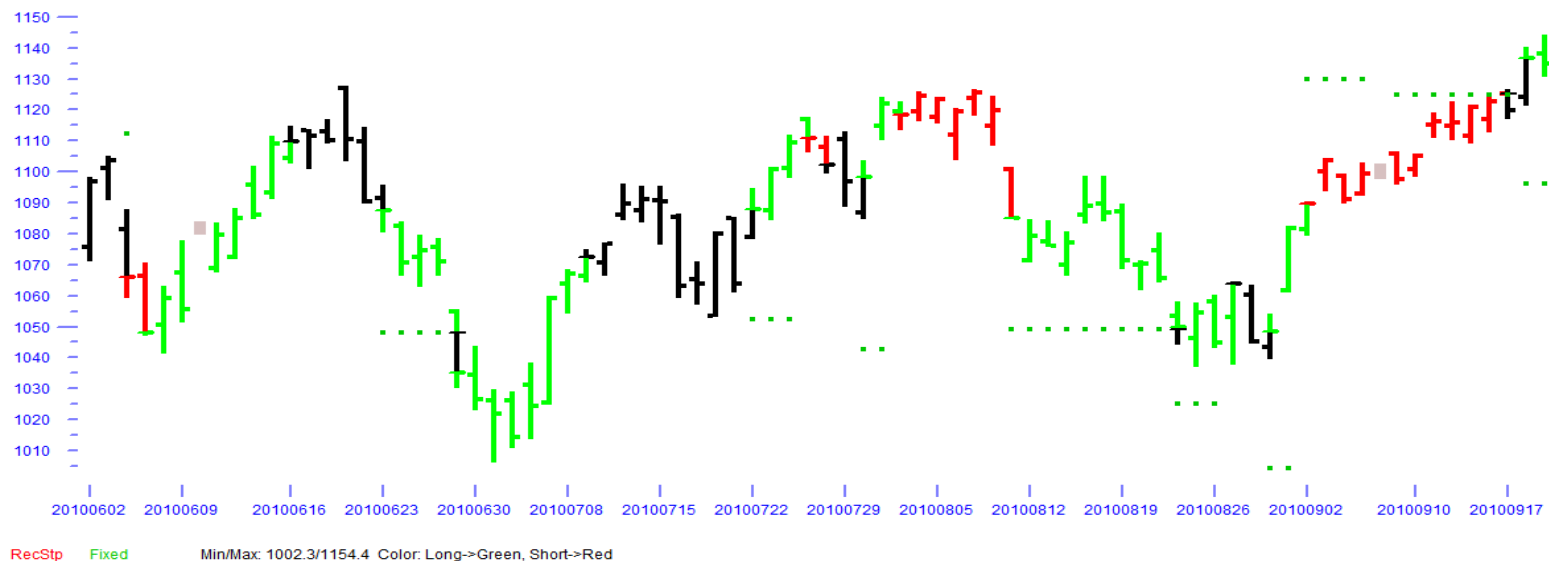
The bars are green for long, red for short and black for flat. The dashed green horizontal lines show a protective stop level. Trade entries and exits look nothing like any system Northfield has previously developed, as PMOD is capable of a variety of behaviors, including both trend-following and counter-trend with varying holding periods.

INTEGRATED RISK MANAGEMENT PROTOCOLS

- Position size is set by risk and volatility. Initial position risk is typically equal to or less than one fourth of one percent (0.25%) of the previous day's ending Net Asset Value (*ex.* $2,500 risk per trade in a $1.0M managed account).

- Total portfolio risk is calculated on a daily basis and monitored in real-time. When preset thresholds are exceeded, automated procedures are employed to reduce risk and protect profit by partially exiting open trades.

- All of the strategies have the ability to be long, short or flat. The intermediate-term systems maintain positions a majority of the time or more while the shorter-term strategies can be flat as much as 50% of the time as they search for specific opportunities.

- All trades are protected by a maximum loss point that is volatility based and is used to calculate the initial risk and size of a position. In addition, there are procedures for overnight stops that are strategically placed further away from the market in the event of "*worst case*" scenarios.

- The size of an individual position will never be increased. However, with multiple systems trading the same markets, the Diversified Program can build larger positions over time based on independent signals.

EXPONENTIAL RELATIONSHIP

The relationship between the magnitude of a drawdown and the performance returns necessary to recover to breakeven is an exponential curve that steepens as the losses increase.

If performance drawdowns are kept in the range of approximately -15% to -20%, then the recovery to a new performance high requires not much more than achieving a return equal to the drawdown.

DRAWDOWN & RECOVERY

■ % Drawdown   ■ % Return Needed to Recover

Northfield Diversified Program

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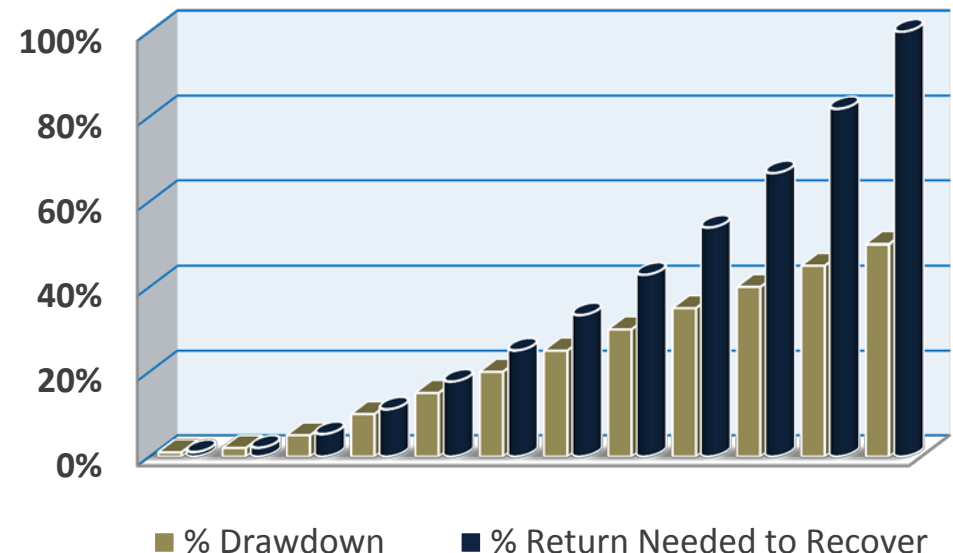
HISTORICAL PERFORMANCE
NORTHFIELD TRADING DIVERSIFIED PROGRAM VS. BARCLAY CTA INDEX AND S&P 500
JULY, 1989 TO JANUARY, 2013 ESTIMATE

TOTAL 283 MONTH RETURN NET TO INVESTOR	
NORTHFIELD DIVERSIFIED:	+558%
BARCLAY: CTA INDEX:	+227%
S&P 500 INDEX:	+371%

Legend: NTLP Actual — Barclay — S&P 500
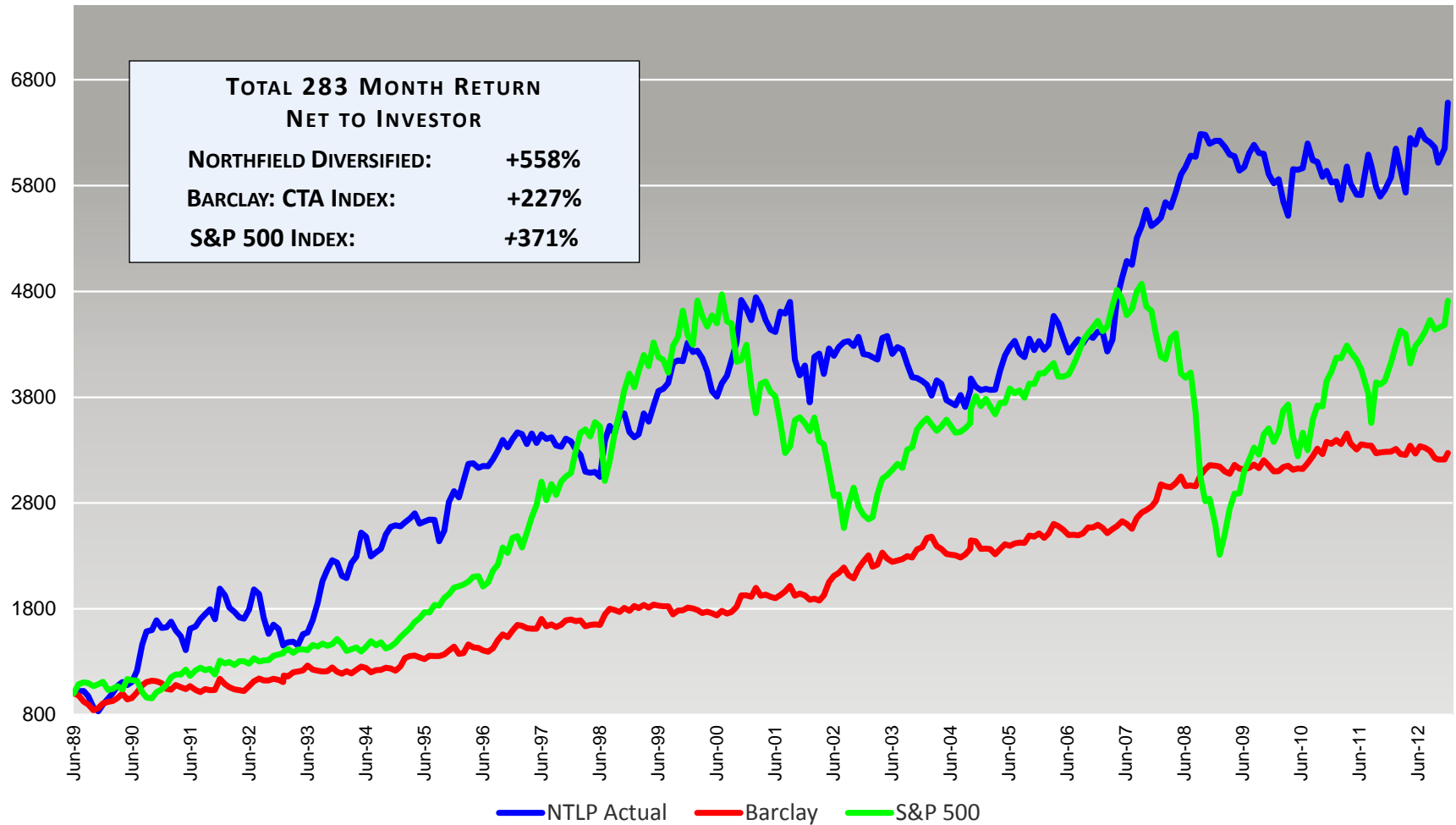
The chart represents the value of $1,000 investment from July 1989 through January 2013 estimate. The Barclay CTA Index is a representative performance benchmark for commodity trading advisors and the S&P 500 Index is a representative index of the top 500 largest market cap stocks.

Northfield Diversified Program

Past performance is not necessarily indicative of future results.

LOW TO NEGATIVE CORRELATION

THREE YEAR (1/10 – 12/12)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) NORTHFIELD *DIVERSIFIED PROGRAM*	1.000	(0.393)	0.422	0.363	(0.242)	0.254	(0.327)
(2) S&P 500 INDEX	(0.393)	1.000	0.134	(0.284)	0.822	0.406	0.905
(3) BARCLAY CTA INDEX	0.422	0.134	1.000	0.195	0.413	0.912	0.176
(4) BARCLAY CAPITAL US AGGREGATE (FORMERLY LEHMAN AGGREGATE) BOND INDEX	0.363	(0.284)	0.195	1.000	(0.261)	0.089	(0.200)
(5) HFRI FUND OF FUNDS INDEX	(0.242)	0.822	0.413	(0.261)	1.000	0.688	0.852
(6) HFRI GLOBAL MACRO INDEX	0.254	0.406	0.912	0.089	0.688	1.000	0.455
(7) MSCI EAFE INDEX*	(0.327)	0.905	0.176	(0.200)	0.852	0.455	1.000

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* Morgan Stanley Capital International Index designed to measure equity market performance in global emerging markets.

THIRTY SIX (36) MONTH PERFORMANCE ANALYSIS

The following table compares Northfield to a number of the largest trend-following CTA's during their four (4) *worst* performance months over the past three (3) years (January '10 – December '12)**

	NORTHFIELD TRADING DIVERSIFIED PROGRAM	4 TRADER AVERAGE INDEX	TRADER ALTIS PARTNERS GLOBAL FUTURES	TRADER CAMPBELL & CO. FME LG	TRADER SUNRISE CAPITAL PARTNERS (DAVCO)	TRADER WINTON CAPITAL MGMT.
MAY-10	+ 7.97%	- 5.24%	- 4.74%	- 2.92%	- 12.28%	- 1.01%
JUNE-12	-0.98%	- 4.72%	- 2.77%	- 5.20%	- 7.72%	- 3.17%
OCT-11	- 3.39%	- 4.66%	- 4.60%	- 4.74%	- 6.70%	- 2.60%
OCT-12	- 0.80%	- 4.63%	- 3.84%	- 7.72%	- 4.42%	- 2.55%
TOTAL	+ 2.80%	- 19.25%	- 15.95%	- 20.58%	- 31.12%	- 9.33%

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* Source: BarclayHedge - CTAs were selected as representative of the industry with combined assets of $33.6 billion.

** The period covered is January 2010 through December 2012 estimate and may not be indicative of the worst performance months experienced by the Diversified Program over its entire track record.

■ Northfield has been developing proprietary software to test and implement quantitative trading models for over twenty-five (25) years and maintains state of the art capability to rapidly prototype and test trading ideas in any time-frame. An overriding and guiding principle is to create trading logic that is simple, elegant and robust.

■ Northfield views the development of quantitative trading models as the study of group psychology as it relates to the way people set prices in open markets. Given the human element and inherent herd behavior, while there is a lot of noise, Northfield's research indicates that the markets are not completely random and that it is possible to have an investment edge that is robust and reproducible.

■ The goal of Northfield's research is to answer the ultimate question: *Will it work in real-time*? Northfield uses two (2) approaches to validate the likely future performance of a trading strategy:

  ■ Automated out-of-sample testing
  ■ Across market research

■ Historically, a primary focus has been to create new and unique ways to measure changes in volatility to generate directional trading signals.

Douglas Bry

Doug Bry is President, Chief Portfolio Strategist and co-founder of Northfield. From January 1997 through January 2004, he served as a Director on the Board of the National Futures Association ("NFA"), and in February 1998 he was appointed to the Executive Committee of the NFA on which he also served through January 2004. In December 2011, he was re-elected to the Board of Directors in the CTA/CPO category for 2012-2013 term. In September 1999, Mr. Bry completed his second two-year term on the Board of Directors of the Managed Funds Association ("MFA"). During the four years he was on the MFA's Board, Mr. Bry was Chairperson of the Emerging Trading Council, served on the Executive Committee, and from 1998-1999 was Vice Chairman of the MFA.

Mr. Bry is an attorney and graduated from Beloit College in 1974 with a B.A. in Philosophy and Sociology and obtained his J.D. from the University of Colorado in 1978. From September 1978 until June 1982, Mr. Bry was a trial attorney with the Defender Association of Philadelphia, and from June 1982 through January 1987, he was a Senior Trial Deputy with the Colorado State Public Defender. In February 1987, Mr. Bry and Philip Spertus formed Technical Trading Strategies, Inc. to apply emerging computer technology to the creation of quantitative models for trading global futures markets. In October 1989 they formed Northfield Trading LP, a registered Commodity Trading Advisor, to provide investment management services (www.ntlp.com).

PHILIP SPERTUS

Phil Spertus is Vice President and co-founder of Northfield. From 1979 to 1992, Mr. Spertus served in various senior capacities, including the positions of Chairman and President, with Intercraft Industries, Inc., a multi-national manufacturer of picture frames and related products. Mr. Spertus owned a special seat and was a registered Broker/Dealer and member of the Chicago Board Options Exchange from August 1984 through February 1986.   Mr. Spertus graduated from Massachusetts Institute of Technology in 1956.

PATRICK F. HART III

Pat Hart, Principal, became affiliated with Northfield in 2007 to assist with strategic planning and business development. He is also Chief Executive Officer and Managing Partner of Three Palms, LLC, and its wholly-owned subsidiary, Palm Portfolio Management, LLC. Mr. Hart has over twenty-three years of experience in the design, implementation and management of structured hedge funds and Managed Futures products. In 2003, he founded Three Palms which offers a platform of Alternative Investment products and services designed to diversify and enhance traditional portfolio mixes, and support both private and institutional client participation in Alternative Investments. He holds a B.A. in Economics from Colorado State University.

ROB LINGLE

Rob Lingle joined Northfield in 2012 as Director of Marketing. Mr. Lingle has nearly 30 years of experience in multiple segments of the financial industry. He is dually registered as an AP of both Northfield and Hedgeharbor, which provides marketing services to Northfield, and holds the position of Senior Managing Director there. Prior to this, he was Vice President of Marketing & Investor Relations with Tactical Investment Management Corporation, a CTA and CPO. Formerly, he was the President of a futures brokerage company he founded and the branch manager of a regional securities firm. His trading experience includes a position at Commodities Corporation and as a registered CTA. He began his career in brokerage at Merrill Lynch and Shearson Lehman Brothers. Mr. Lingle graduated from the University of Southern California with a dual degree in Economics & International Relations in 1983. He holds his Series 3, 7, 30, and 63 securities licenses.

JOHN SELLS

John Sells, Director of Programming and Software Development, joined Northfield's programming staff in 1990. Mr. Sells' responsibilities have included design and implementation of trading systems, trading system simulation tools, live software and back office database software. Mr. Sells' experience includes over 20 years of professional software management, design and development for NCR Corporation, Storage Technology Corporation and Daisy/Cadnetix, Inc. Mr. Sells received a B.S. in Computer Science from the University of Illinois.

JAMES DAY

James Day, Director of Research and Senior Software Engineer, graduated from Colorado School of Mines in 1996 with a B.S. in Metallurgical and Materials Engineering, and minors in computer science and physics. He worked for six years at Native American Technologies, a welding software company in Golden, Colorado, where he designed and implemented a weld quality control system that is used by leading automotive manufacturers including Ford and Chrysler. From June '01 to September '04, he was employed with Northfield as a Senior Software Engineer, re-joining the firm in March '09 with the added responsibility of Director of Research. From November '04 until 2009, he was a Senior Application Architect for ShopAtHome.com, an internet advertising company that generates leads for companies, where he developed the ShopAtHome Intelligent Shopping Toolbar.

BRYAN LOUGHRY

Bryan Loughry, Senior Research Analyst, holds a B.S. in Finance, M.S. in Computer Science and a M.S. in Applied Mathematics each from the University of Colorado at Boulder (CU). In 2006, Bryan put the completion of his PhD in Applied Mathematics on hold to join Northfield. Prior to joining Northfield, he worked at the Prediction Company (now owned by UBS) in Santa Fe, New Mexico where he developed non-linear models for a statistical arbitrage portfolio. Bryan also worked for a startup company where he introduced artificial intelligence to manufacturing automation equipment. His research interests are broad and include non-linear dynamics, machine learning, cognitive science, time series analysis, econometrics and financial analysis.

ALEXANDER WOODS

Alex Woods, Software Engineer and Research Assistant, joined Northfield's research staff in February 2010. Prior to joining Northfield, he worked at Medical Simulations Corporation in Denver, CO where he developed real-time interactive simulations of cutting edge surgical techniques for use in medical training. He also worked at the University of Duisburg-Essen in Germany where he developed an augmented reality simulation of roller coaster rides. Mr. Woods holds a B.S. in Computer Science from the University of Colorado and has an interest in artificial intelligence and machine learning.

MARIANNE BEAUSOLEIL

Marianne Beausoleil, a registered AP, joined Northfield Trading in 1996 as Director of Administration and Compliance. In late 1996, she also assumed responsibility for the back office, accounting and performance reporting operations. Ms. Beausoleil's experience includes eight years in the Cashiers' Division of Harris Trust & Savings Bank in Chicago, IL, five years as Vice President & Cashier of 2 Denver metropolitan commercial banks and fourteen years as a senior financial analyst and administrative officer with a national bank consulting and litigation support firm in Denver. Ms. Beausoleil holds a B.A. in English Literature from Dominican College in River Forest Illinois.

MANAGER BIOGRAPHIES (CONT.)

DANIEL UTLEY

Dan Utley, Director of Trading, joined Northfield's trading team in 1994 and was promoted to Assistant Director of Trading in 1994. In September, 1997, he was promoted to Director of Trading. Prior to joining Northfield, Mr. Utley spent four years in the investment industry, including establishing and managing a full-service investment company. Mr. Utley holds a B.S. in Finance from Metropolitan State College of Denver.

JEFFREY NOWAKOWSKI

Jeffrey Nowakowski rejoined the Northfield trade staff as Senior Trader December 2009. His previous experience includes 6½ years on Northfield's trade desk from September 1996 through May 2003, currency option trading on the Philadelphia Stock Exchange floor for Susquehanna Investment Group and 2 years on the trade desk of Rotella Capital Management, a Seattle-based Commodity Trading Advisor. Mr. Nowakowski holds a B.S. in Business and Administration with a concentration in Economics from Drexel University.

Northfield Diversified Program

TIMOTHY MCMAHON

Tim McMahon joined Northfield's trading team in October 2010. Prior to joining Northfield, Mr. McMahon spent six years on the Chicago Mercantile Exchange where, as a Member, he specialized in electronic trading and system development for agricultural markets. Mr. McMahon holds a B.S. in Finance from DePaul University.

JONATHAN BOWER

Jonathan Bower joined the Northfield trade staff in December 2010. From 1996 to 2005, he was a Member of the Chicago Board of Trade where he managed and co-owned an independent trading desk. More recently, he has worked in quantitative research and trading for BNY Mellon Asset Management, Gravity Investments and Tulip and Thistle Capital Management, a CTA he formed after relocating to Colorado. Mr. Bower holds a B.S. in Physics and Business Administration from North Park University in Chicago and an M.B.A. from the University of Chicago Booth School of Business with concentrations in Analytic Finance and Statistics.

APPENDIX

CLEARING AND EXECUTION BROKERS

Northfield has established relationships with the following Clearing and Executing Brokers:

- MORGAN STANLEY SMITH BARNEY
- JEFFERIES BACHE
- DEUTSCHE BANK AG
- FC STONE LLC
- JP MORGAN
- NEWEDGE USA, LLC
- NEWEDGE UK
- RJ O'BRIEN
- DORMAN TRADING
- ROSENTHAL COLLINS DIRECT

- **NOTES:**
- Clients may select a clearing firm of their choice (*whether on this list or not*).
- Northfield selects the executing brokers and requires that clients authorize give-up agreements.

MANAGED ACCOUNT SPECIFICS:

- MINIMUM INVESTMENT: $2,000,000

- LIQUIDITY: Daily

- MARGIN TO EQUITY RATIO: 8% average, 20% maximum

- ROUND TURNS PER $1.0M: 1,000

- CURRENCY DENOMINATION: Any Currency

- MANAGEMENT FEE: 2% per annum

- INCENTIVE FEE: 20% of net new profits

Investment in Northfield's Diversified Program is also available through the AlphaMetrix and DBSelect Platforms, Northfield Capital Fund LP and Northfield International Limited.

NORTHFIELD DISCLOSURE DOCUMENT AVAILABLE UPON REQUEST.

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