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## **LJM PARTNERS ROLLS OUT INNOVATIVE, REAL-TIME RISK MANAGEMENT PLATFORM**

Hinsdale, IL, November 13, 2007– LJM Partners, Ltd. (“LJM”), an investment management firm specializing in managed futures, today announced their new trading and risk management system – LJM System for Trade Optimization and Risk Management (“LJM STORM<sup>SM</sup>”).

Targeting institutional fund managers, LJM STORM<sup>SM</sup> represents the technical foundation behind LJM’s ability to offer custom trading strategies to hedge long equity portfolio risk. The first generation of LJM STORM<sup>SM</sup> incorporates SPX, VIX, options and variance futures. Future generations of the technology will introduce additional underlying commodities including ETFs, currency and interest rates. LJM will now work with select clients to design custom investment strategies tailored to specific standards of S&P correlation, risk/volatility and performance.

LJM STORM<sup>SM</sup> was developed and headed by Dr. Stanislav Ivanov, who previously held the position of First VP, Quantitative Risk Management at The Options Clearing Corporation (OCC) and who joined LJM as Chief Risk Officer in April. While at OCC, Dr. Ivanov led the team which designed the “STANS” risk management system currently employed by OCC to manage risk for all cleared products.

“We have placed a great deal of resources, capital and time in this effort and we are already seeing it pay off,” said J. Scott Sykora, LJM Partner’s President. “The system is designed to assist portfolio managers manage risk – something that is easy to conceptualize in principle but very complex to deliver in a cost effective manner.”

LJM believes this real-time system is the first-of-its-kind combining the following distinctive features:

- Monte Carlo simulations based on heavy-tailed asymmetric distributions
- Multidimensional implied and statistical models
- Volatility forecasting techniques and stress test scenario analysis
- Risk factor dependence modeling beyond traditional linear correlations
- Coherent risk measure analysis more appropriate than VaR estimates

“LJM STORM<sup>SM</sup> is a unique tool to model and manage risk and we requested a custom trading strategy to help us hedge our exposure to the long equity component within our portfolios and to profit from any major downside dislocation,” said Alex Allen, Chief Investment Officer of Eddington Capital Management, a London-based fund-of-hedge funds company. “With their new risk system, LJM provides a unique capability in the CTA/managed futures arena in terms of strategy construction and testing, portfolio optimization and risk management.”

### **About LJM Partners:**

Founded in 1998, LJM Partners, Ltd. (“LJM”) is an investment firm that specializes in managed futures with assets under management exceeding \$200 million. Headquartered in Hinsdale, IL, LJM offers several trading strategies implementing various volatility products. LJM is a Commodity Trading Advisor (“CTA”) and Commodity Pool Operator (“CPO”) registered with the Commodity Futures Trading Commission (“CFTC”) and a member of the National Futures Association (“NFA”). For more information, please visit [www.ljmpartners.com](http://www.ljmpartners.com).

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