



About LJM: LJM Partners Ltd. (“LJM”) is an investment firm specializing in managed futures and offers financial investment services to institutions and high net worth individuals. LJM is a Commodity Trading Advisor, registered with the CFTC and a member of the NFA.

Long Volatility Trading Strategy: The LJM Long Volatility Strategy is designed to generate significant profitability in equity markets demonstrating high volatility and represents, in general, a negatively correlated strategy to a directional long equity portfolio. The Long Volatility Strategy will include (but not be limited to) a series of long put contracts on the S&P500* futures index as well as short call options on the S&P500 futures. Pricing for all traded instruments will be modeled using the proprietary **LJM STORMSM System**. This strategy will be exposed to low volatility and up-trending markets and is therefore very directional in its performance characteristics.

1) Clients should understand that even though “gap” moves are easily modeled they provide very limited information about the performance of any strategy. Gap moves are highly unlikely and creating a derivative strategy around gap moves alone will not properly model the performance in more likely/typical market scenarios where markets slide rather than gap in one discrete move;

2) The requisite long put profile portfolio is constructed over time and it is maintained to be capable of delivering some expected protection – it is not fully available the day the account begins trading;

3) Periodic partial selling of appreciated puts is anticipated to help fund the strategy;

4) The Long Volatility Strategy requires financing on the average and extended periods of small, incremental losses (“bleeding”) is possible. If, however, the client stops financing the strategy it will miss future opportunities;

5) Any “leveraged” down side protection strategy has two cash contribution components:

a. Funds required to purchase put options;

b. Funds required to deposit as margin requirements for call writing;

c. It is possible that the put purchasing is 100% financed via call selling. In this case, only b) is required;

6) Writing of covered puts could decrease the exposure to extended periods of small, incremental losses (“bleeding”). Such an approach, however, decreases the profit potential should the market decline.

7) Together the LJM Long Volatility Strategy may contain long put and long call profiles.

Long Volatility Products: The long volatility program is available two products: As a stand-alone managed account and as a component of the **Blended Volatility Strategy**:

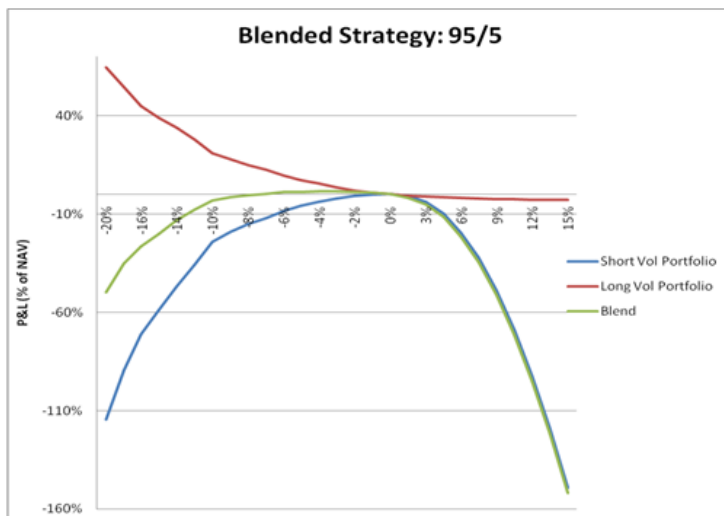
- **Blended Volatility:** The Blended Volatility account combines the Aggressive trading strategy with the Long Volatility strategy in one physical account (main account/subaccount). As the Aggressive and Long Volatility strategies are designed to perform in a negatively correlated fashion the goal of the Blended Volatility account is to offer smoothed returns relative to each strategy’s individual performance characteristics. In a Blended Volatility account the FCM will cross-margin the two trading strategies. Funding allocation can be changed across the two strategies on a quarterly basis.

Blended Volatility Accounts

Add a long volatility component to hedge gap market down-moves: LJM can optimize performance while containing risk

Sample Portfolio Blends are:

- Blended Managed Account: e.g. 95% Aggressive (“short vol”); 5% Long Volatility Hedging



LJM Long Volatility Performance: The results presented below represent actual client results for the period May2008 – December2008:



LJM LONG VOLATILITY STRATEGY

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2008	n/a	n/a	n/a	n/a	-12.58	119.34	-5.92	-32.92	142.50	39.49	25.24	-13.66	342.61%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.