Kettera Strategies

Manager Evaluation:

Coyote Trading LP – Global Multi-Quant Program

Firm:	Coyote Trading LP (Coyote Trading Investment Management)
Program:	Global Multi-Quant Program
Location	Philadelphia, PA
Strategy Category:	Systematic-based trend detection and participation
Firm's Current AUM:	$2.5 Billion (as of March 2018)
Strategy AUM:	$2.0 Billion (as of March 2018)
Date of Original Report:	December 2017
Updates (Sections Affected):	August 2018, for: • Assets under Management • Performance Notes • Quantitative Analysis (Appendix I)

Full Manager Evaluation:

Coyote Trading LP – Global Multi-Quant Program

Program under Evaluation - Summary

Coyote Trading LP ("Coyote Trading") is an investment management firm founded by Dave Johnson and Dr. Sam Combs in 1993. Based in Philadelphia, Coyote Trading is an acronym for Financial Opportunities in Research and Trading.

The Global Multi-Quant Program ("Multi-Quant"), launched in 2002, derives its name from the principals' desire to offer a fully systematic program that is an alternative to most systematic trend following programs. In all candor, despite its name's counter trend implication, the core of the program is systematic trend identification, although it is designed to buy on weakness and sell on strength. Coyote Trading describes Multi-Quant's strategy as "medium-term trend anticipation." Multi-Quant uses dynamic asset and parameter weightings which means the model will adjust holding periods and allocation to asset classes in response to changes in market conditions, albeit gradually.

The program trades over 40 highly liquid global futures markets across equity indices, interest rates, government bonds, currencies, metals, and energy, seeking to profit in both trending and non-trending, range-bound environments. The typical holding period is between 2 and 8 weeks.

THE PROGRAM

Investment Methodology

Philosophy

The principals describe the Global Multi-Quant strategy as a systematic medium-term "trend-anticipating" strategy, in contrast to a traditional "trend-following" strategy. Multi-Quant seeks to anticipate directional moves by systematically profiling each market it trades and identifying where to buy weakness and sell strength, which also means it will enter into trends early and exit early.

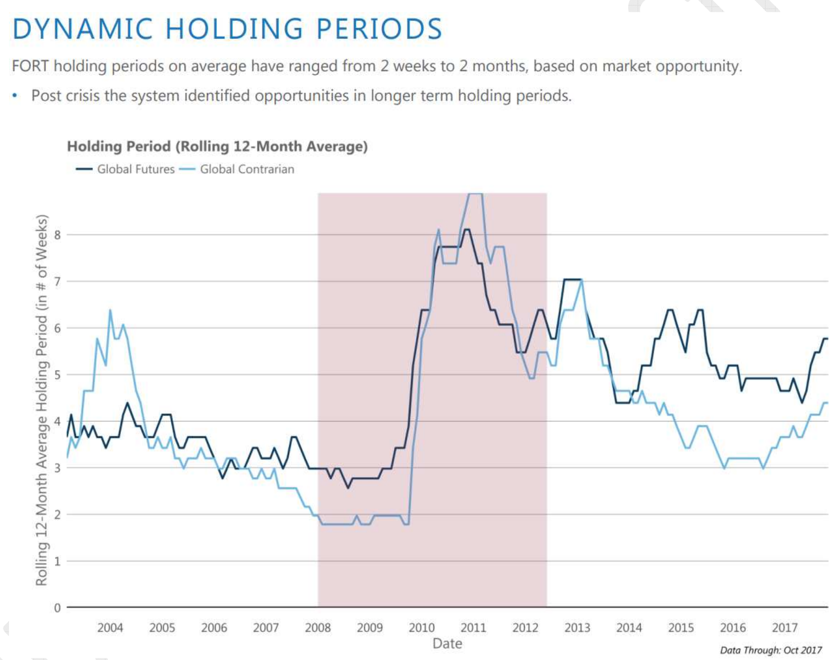
Dr. Dave Johnson and Dr. Sam Combs cite their experience as discretionary macro traders at the European Central Bank as the origins of the design of their investment program. Combs says that economic cycles have persistence, and that technical price patterns can detect and confirm these cycles. They designed fully systematic price-based systems because they believe market prices reflect all known factors affecting supply and demand of a particular market and are the key aggregator of information pertinent to making investment decisions. A consistent, fully systematic approach removes judgmental and emotional bias, and as long as the quantitative design is robust, they believe the system should perform well over the long term in different market conditions.

Coyote Trading launched Global Diversified in 1993 as a single strategy, long-term trend following program. (Diversified has since evolved into a multi-strategy program as described briefly in a later section). After years trading versions of their original strategies, the principals say they designed Multi-Quant to complement their longer-trend strategies by entering trends earlier on weakness and exiting trends earlier on strength.

Methodology

Bayesian learning techniques are the foundation of Coyote Trading's futures strategies. They have been developed to consistently adapt the sector allocations, market weightings, and the holding periods based on the past performance of the given market or sector. On a daily basis, new price information is entered into the system and included in the calibration for the next day's trading signals. Markets evolve and the estimated values reflect this new information. For example, if trends in US interest rates seem to be shortening in length, the strategy will slowly begin to allocate more to shorter-term trends within that market. If the strategy finds that it is difficult to predict the price movements in Asian equity indices and has difficulty generating performance in those markets, it will slowly scale down the allocation of risk-adjusted capital to Asian equity indices and reallocate that risk capital to markets that are performing better on a relative basis. This Bayesian methodology allows the models to adapt to new information and allocate risk to the markets and parameter combinations the strategy determines generate performance more efficiently. Using this adaptive process, the risk allocations to markets can vary by quite a large margin (100-400%) over a period of a few months or more. The principals point to this "adaptability" feature to account for the bulk of the program's outperformance versus the industry benchmark.

A good example of how Multi-Quant can adapt itself is to look at performance in 2010 and 2011 (+27.84% and +28.69% respectively) when it far outperformed other trend followers. The reason is that after the Global Financial Crisis, Multi-Quant identified longer-term holding periods as better for the system.



As a result, the risk distribution across the parameter combinations and the markets traded (and contracts used) can shift over time under the Bayesian methodology. The team says that roughly half of the parameter combinations are the same across the markets, while the other half is allowed to vary market by market. For example, looking at the Japanese Yen and the S&P 500, about half of their parameter combinations will be the same, while the other half would be allowed to vary and could be different.

One Single Model: The Multi-Quant program uses one overall "model" to trade all its markets equally. The one model only uses price and price derivatives, such as volatility, and three primary parameters to map each market's profile to determine where and how much to buy on weakness and where and how much to sell on strength. As this suggests, Multi-Quant draws price bands for each market, using historic Highs and Lows to identify support and resistance points. The model uses a 3-year price look back, weighting the most recent data more heavily, and draws regression trend lines to determine the best fitting price bands for each market. A key to drawing good bands is accurately determining whether volatility is expanding or contracting, which isn't always obvious in the data.

At the end of each day, the model is run on each market with the day's new info, new bands are drawn, and new limit orders placed for the next day's trading. Up to 40 support points and 40 resistance points are determined each day, so if there is a rapid and pronounced move in one direction, a large position may build quickly, with a maximum 8% position limit (that is rarely if ever reached). Stops are placed for every limit order; recent volatility is used to place stops.

Adaptive: The team described three parameters used to adjust weightings through time: 1) holding period, or speed, 2) markets, and 3) asset class. In this way, because it is likely each market's profile is slightly unique, each market may have a different weighting and holding period. The S&P500 may be performing best at a 10-day holding period, so it will receive a larger weighting and bands drawn for a 10-day holding period accordingly. If one sector is outperforming others, such as equity indices, Multi-Quant will overweight equity indices and underweight the worst performing sector.

There are no forecasts in this model and no statistically and probability driven patterns. Multi-Quant is not claiming to forecast the next day's volatility or direction. This is a range-driven system.

Multi-Quant is unlike traditional trend following programs – which typically wait for substantive signs of momentum or trend direction to appear before generating signals. This is why the Coyote Trading team describes Multi-Quant as "trend anticipating."

Prevent Curve Fitting: Whenever one hears a manager describe a model with "flexible" parameter values, this always raises the risk of over-optimization or "curve fitting." The team emphasizes that one of the main principles of their process is to avoid curve fitting. The Multi-Quant program is comprised of one model with only three parameters. The team believes that the Bayesian learning process as an optimization approach is entirely different from traditional, human-directed model building. The system continuously adjusts the parameter weightings as market conditions evolve. Even so, one might still argue that this can give rise to over-optimizing these values, but the lack of the human tendency to find the best outcomes is helpful.

Markets Traded

Multi-Quant trades futures on interest rates, bonds, currencies, stock indices, precious metals and energy. The traded sectors are North America, Europe (UK, Germany, France & Switzerland), Asia (Japan, Taiwan, Hong Kong), and Australia. Futures contracts are chosen for their liquidity, the reputation of the exchanges on which they trade, and the transparency of the regulatory regime under which they operate.

Currently no contracts on agricultural products are traded as they often lack the depth of the financial futures markets. Moreover, those contracts are subject to position and price limits which are invoked more often than those in financial futures markets.

Capacity: Coyote Trading believes Multi-Quant can trade over $4 billion without any issues. Coyote Trading has been improving its execution system and is currently in the process of hiring a team dedicated to improving execution and minimizing market impact.

Short-Term Interest Rates		Bonds		Currency		Equity		Commodity	
Eurodollar 3M*	CME	US Try 2Y	CME	USD/AUD	CME	E-mini Nasdaq	CME	Heating Oil	CME
Euroyen 3M*	TIFFE	US Try 5Y	CME	USD/GBP	CME	E-mini S&P	CME	Natural Gas	CME
Euribor 3M*	LIFFE	US Try10Y	CME	USD/CAD	CME	E-mini MidCap	CME	RBOB	CME
Euroswiss 3M*	LIFFE	US Try 30Y	CME	USD/Euro	CME	E-mini Russell	CME	WTI Crude Oil	CME
UK Short Sterling*	LIFFE	JGB 10Y	TSE	USD/JPY	CME	E-mini Dow	CME	Gas Oil	ICE
Australian Bank Bills*	SFE	German Schatz	Eurex	USD/SF	CME	Nikkei 225	OSE	Brent Crude Oil	ICE
Canadian Bax*	ME	German Bobl	Eurex	Mexican Peso	CME	Topix	TSE	Gold	CME
		German Bund	Eurex			Hang Seng	HKFE	Copper	CME
		Australia Try 3Y	SFE			MSCI Taiwan	SGX	Silver	CME
		Australia Try 10Y	SFE			DAX	Eurex		
		UK Long Gilt	LIFFE			Euro Stoxx 50	Eurex		
		Canada Try 10Y	ME			CAC 40	LIFFE		
						FTSE 100	LIFFE		
						ASX 200	SFE		
						TSX 60	ME		

*Multiple contract expiration months are traded

Risk Management

The team generally separates their risk management into several segments: The "pre-investment" risk management measures include: (1) their Adaptive Model, the Bayesian process that shifts risk across models, asset classes and speeds; (2) Overall Portfolio Exposure Limits, as measured largely by margin-to-equity ratio (but also other measures), where they impose a M/E max limit of 14%; and (3) Asset Allocation Budget, dynamic models designed to achieve diversification across the various contracts (e.g. June treasury note futures) and market sectors (e.g. stock indices vs currencies) the program trades.

On the exposure limits, in practice, the margin-to-equity ratio is often lower than 14%, usually between 8-10%. The daily, monthly, and yearly VaR at 99% confidence interval are also measured and are used to estimate the maximum monthly loss that should be expected once every 8 years. The team cites a cap on the risk weighting of each contract at 8%, although it may be lower for certain contracts. The average weight for any contract is 2%. Historically, risk weightings of 40% or greater to any one geographic region or asset class have rarely been reached, however the external risk constraint may be higher. The number of contracts traded, coupled with the individual contract limits, make it difficult for further concentration by either geographic region or asset class to occur. The team estimates that the largest 10 futures positions usually represent approximately 50% of the total futures risk exposure.

The team describes its "dynamic risk allocation" methodology as instrumental here also, where the program allocates assets (on a risk-adjusted basis) to each market and parameter combination in the model based on various factors – the key one apparently being past profitability. What the team means by "past profitability" is determined using a Bayesian learning model and is dynamically updated as time passes. The model may also favor, to a more limited extent, markets and parameter combinations that have been profitable in the past, but which are currently going through an unprofitable period. These exposures are kept in check by, and constrained by, the maximum M/E level.

The "post investment" risk controls consist largely of stops; if price begins moving against a futures position, the position will eventually be closed out at a predetermined stop loss limit, determined by the model on a daily basis.

Risk Committee: Coyote Trading has a Risk Committee to provide comprehensive oversight of counterparty and operational risk, as well as to ensure the portfolios remain within the risk constraints determined by the portfolio managers. The risk committee meets on a quarterly basis or more frequently as needed. The committee members include the president, chief executive officer, chief financial officer, chief compliance officer, chief technology officer, chief operating officer, deputy chief operating officer and the head of trading operations. Portfolio risk controls are reviewed by the committee.

The purpose of Coyote Trading's Risk Committee is to periodically review the risks facing Coyote Trading and its client accounts and ensure that Coyote Trading addresses those risks. The committee is responsible for oversight of Coyote Trading's operational, compliance, legal and reputational risk, including the responsibility to assess and manage:

1. Trading - Best Execution and Portfolio Liquidity
2. Systems - Technology and Cybersecurity Risks
3. Oversight of valuation
4. Governance

One thing the Risk Committee does *not* do is interfere with trading signals, portfolio construction or override the systematic risk management rules. There is no discretion used at all with any of the programs.

Kettera has received a copy of Coyote Trading's Risk Committee Charter that outlines the mission, membership, meetings, duties, and responsibilities.

Future Research or Modifications

Coyote Trading has most recently been working on their Mean Reversion Strategy that is part of the Global Diversified and Global Futures programs. The Mean Reversion Strategy is not available on a standalone basis.

Coyote Trading is also working on their execution research. They've recently hired a person who is dedicated to improving execution algorithms, reducing execution costs and commissions, and minimizing market impact. Coyote Trading is about to form a dedicated team to this project.

Reasonable Expectations for Risk-Reward

The Multi-Quant strategy is designed to perform best in high volatility markets and in bull and bear markets. The worst markets for the Multi-Quant strategy are environments where volatility is increasing exponentially, as the strategy may not be able to adjust quickly enough to capture price movements. An example of this kind of underperformance occurred in Q3-Q4—2008 when most CTA strategies performed extremely well whether they were directionally short, middle or long-term trend, momentum, and breakout. Multi-Quant behaves more like a range bound strategy where it tends to buy at the bottom of the range and sells at the top of the range. If volatility is expanding too rapidly the ranges explode and Multi-Quant suffers – it will buy too soon and sell too early. The opposite of this scenario is when Multi-Quant outperforms in choppy markets where, although the existence of a longer-term trend may not be present, there is short-term price volatility.

Coyote Trading's strategies are completely systematic, so performance results are entirely due to model performance and not due to any discretionary factors. The largest drawdown since inception is -17.4%. A drawdown of this size has only occurred once since inception (2008-2009), although Coyote Trading's trading principals think that 15-20% drawdowns are likely to occur from time to time.

Performance Analysis

Verification of Sources of Returns: The underlying basis for the monthly Fund performance is the fact that the Fund's auditor, KPMG, has generated a full fund audit for each year of the fund's operation. Kettera has most recently received and reviewed Multi-Quant's 2017 audited financial statements.

Cross-Verification: The performance histories – sourced from the manager's Fund and sourced through calculations based on their dailies – are substantially similar to the point where we have no questions or detect any material anomalies. Also, as the program is also on the DB Select platform we have cross checked both daily-based and monthly-based histories against the DB record (gross of fees) and have found no mateiral anomalies after adjusting for fees.

Significant Notes and Adjustments on History under Analysis. The net monthly returns for the Multi-Quant program published and circulated by the firm are of a representative account selected that has been fully funded since inception, net of a 2% management and 20% incentive fee. The fees applied to any monthlies generated for the Hydra account after its launch could be different, and will be noted as such on the performance materials.

Observations Worth Noting:

1. Negative/Positive Note: February 2018 (-2.75%): Although the negative return isn't large, the month of Feb-2018 was a significant month for managed futures programs and trend followers especially since there were so many programs that suffered terribly due to the volatility explosion during the first week, and particularly, on Feb-5th. Multi-Quant began taking risk off towards the end of Dec-2017 and had low exposure throughout January. Whereas most trend following programs had terrific January returns, Multi-Quant lost 0.27%. The low exposures carried into February and, as a result, Multi-Quant didn't lose too much when its competitors did. The sum of the two months, however, is negative and therefore Multi-Quant didn't help.

2. Negative Note: Oct-Nov 2016 (-6.05%): The Fall of 2016 was characterized by reversals across the major asset classes during the month, which hurt nearly all systematic trend strategies. Also, Multi-Quant was largely long the longer-dated bonds in North America and Europe, markets that were declining. The SG Trend Index was down -4.95% over the same two-month period.

3. Positive Note: 2011 (+28.70%): This was one of the toughest years in more than three decades of trend following programs. However, the Multi-Quant and Diversified programs were notable in their outperformance. While most systematic trend followers fell prey to extensive losses in that year, the Multi-Quant program managed to generate a return of more than 20% for most of their accounts. According to the team, following the crisis the firm's systems recognized that it was more profitable (risk-adjusted) to allocate to models with more patient, or slower trading speeds. Amidst the erratic, risk-on/risk-off environment seen in the 2010-2012 timeframe, the Multi-Quant program entered 2011 with its highest historical holding period – an average of 9 weeks holding. They attribute their outperformance during this time to the slower trading speed. Over the year, the majority of the performance was generated in the Treasury futures contracts, which sustained significant yield compression.

4. Negative Note: 2008: The Multi-Quant strategy relies on estimating price ranges. In the extraordinary volatility of 2008, these ranges were obviated quicker than the models were designed for. In effect, the strategy got whipsawed by the extraordinary changes in trading range. Multi-Quant may underperform in an environment of exceptional price change.

See also:

Stats based on Reconstruction of Record using Daily P/L: See Attachment 1.

Interactive Portfolio Analysis: See the analysis presented on Attachment 5.

Manager's Current Outlook

Multi-Quant is a price-based systematic program. No fundamental inputs are used, and no macro predictions are made. Based on Multi-Quant's current positioning, April 2018, the following can be said:

Margin/Equity is at around 5% when the historic average is 8%. This means there are fewer positions in the portfolio, there is lower conviction in signals, and there aren't as many opportunities. Multi-Quant is in an inflection point where it is waiting for better market conditions.

History with the Manager

Two members of Kettera's Investment Committee have been at firms that allocated to Coyote Trading's programs in the past. One of these IC members first encountered Coyote Trading and the Multi-Quant program in 2002-2003, just as it was launched, where it was part of an emerging program Fund of Funds product. At that time Coyote Trading was a much smaller firm and nowhere near as institutionalized as it is today.

As mentioned in an earlier section, both IC members (at previous places of employment) were involved in the pre-investment due diligence, background checks, data verification, and approval process. Each of these members has met with Sam Combs or Dave Johnson several times in the past at industry conferences or onsite. In all instances Coyote Trading has been fully transparent, professional, and a respectable firm with which to work

Potential Concerns & Weaknesses

Multi-Quant provides a different kind of trend exposure that is complimentary to more traditional trend programs. One thing Multi-Quant most likely won't provide is what is nowadays called "crisis alpha." Q3-4—2008 is a good example that shows how rapidly and dramatically expanding volatility is bad for the program and it won't shield your portfolio from losses.

If an investor is looking for a program that will be nimble enough to profit in the next global meltdown, Multi-Quant most likely will not be able to navigate the quickly expanding volatility bands.

THE MANAGER

Organizational Overview & Background

Coyote Trading LP ("Coyote Trading") is an investment management firm founded by Dave Johnson and Dr. Sam Combs in 1993. Based in Philadelphia, Coyote Trading is an acronym for Financial Opportunities in Research and Trading. At this writing the Coyote Trading team employs or contracts more than 20 professionals at offices in Philadelphia and New York City. The investment team has been led since inception by Johnson and Combs and has developed numerous systematic investment strategies in both futures and equity markets, using mostly technical analysis (although the team has also embarked on using fundamental analysis).

The firm was incorporated in 1993 and became registered with the CFTC and NFA in October 2002 as a CTA (NFA #000000). In 2014, it also became registered as an investment adviser with the SEC (SEC: IARD 000000, SEC # 000000).

Coyote Trading's Global Diversified Program began trading in October 1993 while Global Multi-Quant began trading in October 2002. In January 2016, Petershill LP, a private equity fund run by Goldman Sachs, took a 10% interest in the firm.

Ownership & Control

Coyote Trading Management Inc. as the General Partner of Coyote Trading, L.P. (the trading advisor to Coyote Trading Global Multi-Quant L.P., Coyote Trading Global Multi-Quant (Cayman) L.P., and Coyote Trading Global Offshore Fund, SPC) and the Managing Member of Coyote Trading Global LLC (the General Partner of Coyote Trading Global Multi-Quant L.P. and Coyote Trading Global Multi-Quant (Cayman) L.P.) controls their day-to-day operations. Coyote Trading Management Inc., is controlled as follows: Dave Johnson (50%) and Sam Combs (50%).

The ownership of Coyote Trading, L.P. and Coyote Trading Global LLC is approximately: 35% Dave Johnson, 35% Sam Combs, 20% key Coyote Trading employees and 10% Petershill II, L.P., a private equity fund that takes ownership stakes in investment managers. There are additional registered principals with no ownership stakes. See organizational chart on page 11 below.

Proprietary investment: Coyote Trading's owners have an amount that exceeds $70 million invested in Coyote Trading Funds. Dr. Combs and Dr. Johnson have the majority of their liquid net worth invested in the Coyote Trading Funds alongside the investors. These investments in the Funds have the same liquidity terms as all other investors and although they do not pay management and performance fees, they do participate in the other operating expenses (administration, legal, audit, etc.) alongside all Fund investors.

Listed Principal Name	Title(s)	10% or More

[REDACTED - INFORMATION WOULD COME FROM NFA WEB SITE]

Key Principals & Biographies

Founding Principals

Dave Johnson, Founder. Johnson co-founded and has been a principal of Coyote Trading since 1999. From 1989 to 1998 he was a Senior Manager of Investment at the European Central Bank. During his last two years at the European Central Bank Johnson directed the research and implementation of systems-based trading strategies in global bond markets. Prior to that he served as Senior Manager for the North American, European and Asian portfolios where he managed teams of professional traders overseeing a multi-billion dollar portfolio in fixed-income assets.

Between September 1989 and April 1988 Johnson took a short leave from the European Central Bank to serve as Director of Research and Arbitrage at MMS Securities. From 1977 to 1985 he was teaching in the Department of Economics at the University of Wisconsin as a tenured associate professor. Johnson has published more than twenty-five articles on finance and economics in professional journals. He holds a Ph.D. in Economics and Finance from Massachusetts Institute of Technology, a Ph.D. in Operations Research and a MS in Statistics from Stanford University, and a MS in Mathematics from the Université de Montréal.

Dr. Sam Combs, Founder. Dr. Combs co-founded and has been a principal of Coyote Trading since 1999. From 1987 to 1992 he was a Senior Manager of Investment at the European Central Bank. During his tenure at the European Central Bank Dr. Combs managed large fixed-income portfolios in all the major currencies. At the time of his departure Dr. Combs was responsible for investing a multi-billion dollar portfolio in U.S. and Canadian dollar securities.

From 1989 to 1986 Dr. Combs was a Vice-President of Free Market Inc., a Chicago-based economic and financial advisory firm for institutional money managers. Dr. Combs has a Ph.D. in Economics from the University of Chicago and a BA in Mathematics from the University of Bangalore.

Other Key Personnel:

Alan Merrick is a Principal at Coyote Trading. He went to Lafayette College, after which he was hired by SEI Investments. He subsequently joined Lehman Brothers where he had a 16-year career growing and managing an array of businesses for the firm. He retired from Lehman Brothers in January 2008. Prior to joining Coyote Trading he was a Managing Director of Business Development at Bally Capital Partners.

At Lehman, Mr. Merrick was most recently head of the Wealth Management business, which provided comprehensive wealth management solutions and services and had over $100 billion in assets under supervision. It included the distribution of asset management products ranging from hedge funds, fund of funds, private equity, long-only managers of equities and fixed income, as well as commodities. As a member of the Executive Committee of the Asset Management business, he was involved in the management of businesses which had over $275 billion in assets under management. Mr. Merrick served as a member of the Lehman Brothers Management Committee for over 5 years. His other management responsibilities over his career at Lehman Brothers included service as Head of the Global Wealth Management business, a member of the Executive Committee of the Asset Management Division, Global Head of Fixed Income Sales, a member of the Fixed Income Executive Committee, Head of Fixed Income Asia, a member of the Executive Committee of Lehman Brothers Asia, Global Head of Foreign Exchange and Global Head of Liquid Market Sales. Mr. Merrick was a Managing Director of Lehman Brothers from 1991 until his retirement in January 2008.

Scott Smith. Mr. Smith leads the company's accounting and financial reporting group for all fund vehicles, separately managed accounts, and the management company. Mr. Smith has over 17 years of experience in finance and accounting, with 10 plus years dedicated to the asset management industry. He was the Chief Operating Officer of SEA Capital, LLC, an emerging markets alternative asset manager, primarily focusing on managed futures in the Asia-Pacific markets. Prior to Monsoon, he was the Controller of Declaration Management & Research LLC, a wholly owned subsidiary of Manulife Financial, with over $10 billion in assets under management.

Mr. Smith attained his Certified Public Accounting designation in 1996 and graduated from the University of Wisconsin with a BBA in Accounting.

Peter Potts is the Chief Operating Officer, overseeing the day-to-day operations of the Firm. He has over 15 years of experience in the financial markets having previously held senior positions in quantitative analytics, structured and exotic equity derivatives trading and business management with Lehman Brothers, Nomura International and Royal Bank of Canada. He was the Head of Structured Volatility Trading (Asia-Pacific) at Lehman Brothers, Chief Operating Officer for Equities (Asia-Pacific) at Nomura International and Global Head of Derivatives Portfolio Management at Royal Bank of Canada.

Dr. Potts holds a Ph.D. in Electrical Engineering, a M.Sc. in Electrical Engineering, and an M.A. in Mathematics, all from the University of California at Berkeley, and a Diploma in Electrical Engineering and Computer Science from the National Technical University of Athens.

Management Structure & Roles

Dr. Sam Combs and Dave Johnson have worked together since 1989 when they were both at the European Central Bank where they managed a $25 billion global macro portfolio. They have been together at Coyote Trading since founding the firm in 1993. Together they have extensive academic training, spanning disciplines from economics and mathematics to statistics and operations research. Key personnel turnover has been very low, and Coyote Trading now employs over 50 professionals in two locations as described below.

Organizational/Management Chart

As of July 2018:

Changes in Key Staff

In their DDQ, the team says there have been "no significant changes" in key personnel since Coyote Trading's inception in 1993. However, the firm's COO, Peter Potts, and one managing director (business development), David Jones, both arrived in January 2016. Bob Anderson, who had held a senior position in business development, left the firm in 2016 to join ABC Trading Company based in Chicago.

Operations & Administration

Location and Resources

Coyote Trading LP has two places of business, with the main office located in Philadelphia, and the other located in midtown Manhattan at 000 Lexington Avenue, 00th Floor, NYC. The New York office staffing breaks down as follows: 5 business development and client relations, 1 lawyer, and 6 researchers. Coyote Trading is able to recruit research talent in NY that they otherwise cannot out of the Philadelphia area.

Redundancy/Disaster Recovery

Coyote Trading maintains a written Business Continuity Plan such that the plan enables Coyote Trading to be prepared for an event such as a natural disaster, terrorist activity or other catastrophic event that could partially or completely restrict access to the Firm's principal office at 2 Wisconsin Circle, Suite 1150, Chevy Chase, Maryland. Coyote Trading's plan is designed to allow it to continue operations, reestablish operations or transfer operations and minimize disruption to Fund investors. Coyote Trading has a Business Continuity Team with assigned responsibilities in case of crisis.

Kettera has received and read a confidential copy of Coyote Trading's Business Continuity Plan as part of its Compliance Manual. The BC Plan is thorough and sufficient for a firm of this size.

The closest Coyote Trading came to fully implementing the DR/BC plan was approximately January 2016 when an extremely large snowstorm was forecasted to hit the Philadelphia area. Coyote Trading sent a trader to the New York office in case the storm caused an interruption. As it turns out the New York area was hit harder while the Phila area received a rather harmless winter storm.

Coyote Trading's primary data center is located in Philadelphia, this data center is on the same power grid as several national landmarks which means it is extremely unlikely it will ever go down. Coyote Trading maintains a near- real-time back-up data center in Chicago. Coyote Trading last tested its failover plan in July 2017 during which Coyote Trading failed over to the Chicago data center after trading hours on a Friday evening, and brought it back to the Phila data center on Sunday evening. There were no major issues that needed to be fixed. For the next DR/BC test in 2018, Coyote Trading would like to failover to the Chicago data center for an entire week where they can observe the test during trading hours.

Cybersecurity: Coyote Trading has sent Kettera an overview of their CyberSecurity processes. It is comprehensive and includes, but is not limited to the following:

- Firewalls
- Remote access
- Continuous network and behavioral monitoring, including historical audit trail
- Weekly external vulnerability tests performed by third party vendor
- Network segmentation
- Physical security
- Employee security training
- Continuous user activity monitoring
- Third party network penetration testing
- Mobile security policy
- Segregated Internet browsing → most employees have no access to the Internet on their machines

IT/Data/Technology

Coyote Trading's operations are highly automated. Data analysis, trade generation, trading operations, daily trade reporting, parallel accounting, and reconciliation are all automated with manual oversight from the trade execution team or the accounting team.

All of the software and systems Coyote Trading uses for its trading, back office, and reconciliation are proprietary, owned by Coyote Trading, and developed entirely in-house.

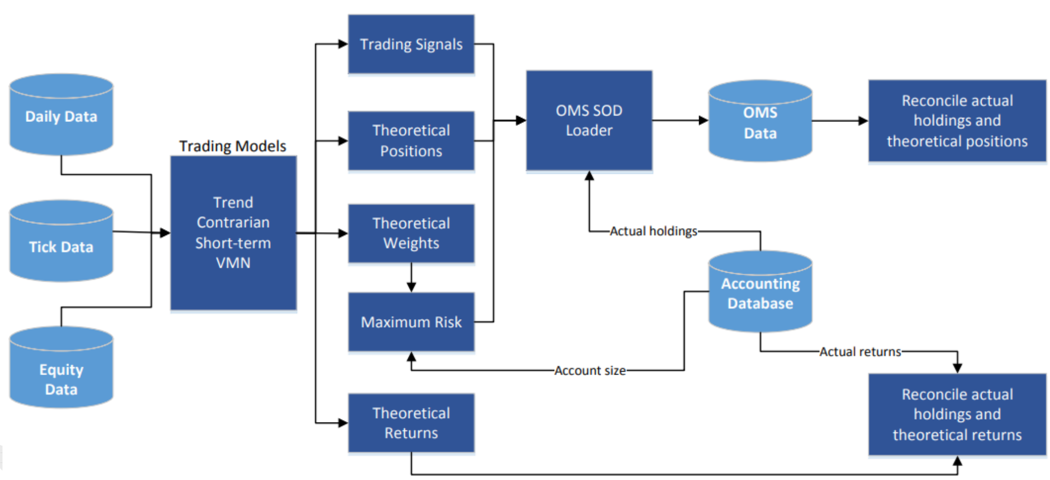
Coyote Trading's fully systematic models run on historical data to which the current day's data is added at the end of the trading session. The processing is done in batches by geographical region and market sector following the close of markets. Signals and positions are generated for the following business day.

Tick data, intraday data, and daily data is recorded from streaming data as well as collected and stored separately following the close of markets. The data is cleaned, verified for accuracy and is then ready for processing by trading models. Coyote Trading uses multiple data sources to ensure data accuracy and availability.

The collected data is cleaned using proprietary programs built by Coyote Trading. The O/H/L/C for each data set are finalized with the supervision of the trade execution team. The daily tick stream is compressed using proprietary programs built by Coyote Trading for use in Coyote Trading's models. Coyote Trading compares the data captured during the day against additional outside data sources (CSI Unfair Advantage and data received directly from the exchanges) to confirm the accuracy of all O/H/L/C data.

The compressed tick stream and the finalized O/H/L/C are processed by Coyote Trading's proprietary models. The models select the trading rules and perform the dynamic portfolio allocation across the products and parameter combinations. The parameters to be used with the selected rules are updated daily. Once the rules and their associated parameters have been finalized and the portfolio is allocated, signals and price levels are generated for each contract (unique for each strategy). The order set created in this process is the full order set for the coming trade date.

TRADING MODELS APPLICATION FLOW



Policy on Soft Dollar & Arrangements on Research Costs
Coyote Trading currently does not participate in any formally organized soft dollar programs and it does not presently receive any external research.

Insurance
The Investment Manager maintains its insurance through Federal Insurance Company, Great American Insurance, Axis Insurance Company, Berkley Insurance Company, Everest National Insurance Company, Freedom Specialty Company, Illinois Union Insurance Company, and Continental Casualty Company. The aggregate insurance amounts are as follows:

Coverage Type	Coverage Amount
Directors & Officers Liability	$40,000,000
Errors & Omissions	$40,000,000
• Professional Liability	$40,000,000
• Investment Fund Management	$40,000,000
• Employment Practices Liability	$40,000,000
• Fiduciary Liability	$40,000,000
• Investment Advisor	$40,000,000
Financial Institution Bond	$10,000,000
Cyber Insurance	$5,000,000
• Privacy Liabaility	$5,000,000
• Data Breach	$5,000,000
• Network Security Liability	$5,000,000
• Internet Media Liability	$5,000,000
• Network Extortion	$5,000,000
• Digital Asset Coverage	$5,000,000
• Business Interruption	$5,000,000

The policies name FORT as beneficiary, not the Fund.

Counterparties and Service Providers

Fund Clearing FCM	Goldman Sachs, Societe Generale (SG Americas), Morgan Stanley
Executing Brokers	Credit Suisse, Goldman Sachs, Deutsche Bank, Morgan Stanley, Societe Generale
Legal	Akin Gump LLP, Sidley Austin LLP
Cayman Legal	Maples and Calder
Japan Legal	Nishimura & Asahi
Domestic Administrator	NAV Consulting
Offshore Administrator	NAV Consulting (Cayman) Ltd.
Cash Management	Wells Fargo, NA
Custodian	Wells Fargo Bank, National Association
Cayman SPC Feeder Fund Directors	Mike McDonald (IMS), Ian Goodall (IMS), James Wauchope (KB Associates), Scott Barnes, Devan Musser
Provided By	International Management Services, KB Associates
Cayman LP Master Fund Advisory Board	Mike McDonald (IMS), Ian Goodall (IMS), James Wauchope (KB Associates), Scott Barnes, Devan Musser
Fund Administrator	NAV Consulting
Fund Auditor	KPMG

Regulatory, Compliance & Legal

The firm was incorporated in 1993 and became registered with the CFTC and NFA in 2002 as a CTA (NFA #000000), In 2014, it also became registered as an investment adviser with the SEC (SEC: IARD 00000, SEC # 000000).

Regulatory Exams: the SEC has not performed an exam. The NFA last performed an exam on Coyote Trading in 2014, at which time there was one minor issue regarding one marketing slide that the NFA felt required a more detailed disclaimer. Coyote Trading promptly updated the slide to conform with the NFA's request.

The firm's Chief Compliance Officer and General Counsel is Devan Musser, who reports to the firm's COO.

Kettera has received and read a confidential copy of Coyote Trading's Compliance Manual. The table of contents are provided as Attachment 9 at the end of this report. Kettera has read Coyote Trading's Code of Ethics as part of the Compliance Manual review.

Legal: The firm has represented in writing that there are no pending or current criminal, civil, administrative or self-regulatory proceedings against the firm or any of its principals.

There are no pending or previous legal issues regarding clients, client's funds, administration or related matters. A lawsuit was filed by a former Coyote Trading employee over compensation in January 2012. In December 2012 it was dismissed with prejudice (meaning that it cannot be filed again). As of April 2018, there is currently an early stage non-investment personnel-related investigation; Kettera cannot judge the merits at this point.

In June 2018 the EUREX exchange sent Coyote Trading a "request for information" regarding trade details. Coyote Trading promptly provided EUREX with all necessary documentation. EUREX has not responded with any further requests or communication.

References and Backgrounds of Key Principals

Two members of Kettera's Investment Committee have been at firms that allocated to Coyote Trading's programs in the past. Each of these members were involved in the pre-investment due diligence, background checks, data verification, and approval process. Each of these members has met with Sam Combs or Dave Johnson several times in the past at industry conferences or onsite. In all instances Coyote Trading has been fully transparent, professional, and a respectable firm with which to work.

Background Checks
Kettera used an independent firm to conduct background checks on Sam Combs and Dave Johnson in 2014-2015 as part of its due diligence process before approving Multi-Quant for listing on the Hydra platform. Federal criminal, civil and appellate records were checked; bankruptcies, liens and judgements were checked; state/county felony/misdemeanor, criminal, parole, probation, and corrections records were checked; FINRA, NFA and CFTC, and SEC disciplinary action and NASD arbitration archives were checked -- no relevant or noteworthy offenses were uncovered, and basic facts stated in the biographies and elsewhere in Coyote Trading's documents were confirmed.

Other Activities of Principals
Neither Dr. Combs nor Dr. Johnson appear to have, nor have disclosed to us, any significant outside activities, either non-conflicting or potentially conflicting. Kettera has received confirmation from Coyote Trading as of April 2018 that neither have any outside business interests, including sitting on charity boards or education foundations.

Outside business activities for employees are monitored and approved by Coyote Trading's Chief Compliance Officer.

Potential Conflicts

Personal Trading Accounts
Coyote Trading does allow employees to have personal accounts. Each employee must direct any broker-dealer where his or her personal accounts are maintained to electronically submit all copies of trade confirmations and statements with respect to personal account directly to the Firm; however, at this time, employees may maintain accounts with broker-dealers that do not transmit trade confirmations electronically.

For "covered securities," each employee must obtain approval from the CCO or CEO before acquiring any covered security for a personal account. The list of covered securities has been reviewed by Kettera as part of Coyote Trading's Compliance Manual.

Kettera has received and read Coyote Trading's policy on Personal Accounts as part of the Compliance Manual. Kettera believes there are sufficient safeguards in place to protect clients' interests.

There have been minor, non-material violations of the Personal Accounts Policy related to new employees incorrectly timing submission of personal account information to the CCO and incorrectly submitting quarterly personal account updates.

Related employees: There is one husband-wife relationship within Coyote Trading's organization. One spouse works in the software development group, and the other spouse works within the Office of the CIO tasked with maintaining quantitative models' coding. Kettera believes this is non-material.

Coyote Trading also ensures that no employees have close family relations working at their administrator, auditor, or other key service providers to prevent any external potential conflicts of interest.

All Products, Services and Assets under Management

Coyote Trading LP has a total of $5.40 billion firm assets under management across 5 product offerings: Global Multi-Quant, Global Diversified, Global Futures, Global Trend and Value Market Neutral. Firm total includes over $70 million of proprietary assets invested in several of these programs. This is the most AUM Coyote Trading has managed in its history.

As of March 2018, the Global Multi-Quant fund has 235 investors. The majority of the Fund investors are categorized as Pension/SWF, Institutional Asset Manager, and Family Office/HNW. The Multi-Quant strategy also has 10 managed accounts.

Coyote Trading Global Diversified is a systematic multi-strategy trading program. It invests in U.S. cash equities and trades a spectrum of futures contracts in the global markets that includes: interest rates, bonds, currencies, equity indices, energy and metals. Global Diversified is a proprietary blend of four strategies with dates of implementation as follows: (i) trend-following (inception); (ii) trend-anticipating (Global Multi-Quant, Oct. 2002); (iii) mean reversion (Dec. 2009); and (iv) Value Market Neutral (Aug. 2014). The addition of each of these components is designed to reduce the volatility of returns. Global Diversified is also designed to have a low correlation with broad equity indices. Global Diversified dynamically and systematically shifts risk allocations among asset classes and underlying parameter choices. Strategy assets are $587 million as of March 2018.

Coyote Trading Global Futures is a systematic multi-strategy trading program. It trades a spectrum of futures contracts in the global markets that includes: interest rates, bonds, currencies, equity indices, energy and metals. Global Futures is a proprietary blend of three strategies with dates of implementation as follows: (i) trend-following (inception); (ii) trend-anticipating (Global Multi-Quant, Oct. 2002); and (iii) mean reversion (Dec. 2009). The addition of each of these components is designed to reduce the volatility of returns. Coyote Trading

Global Futures is also designed to have a low correlation with broad equity indices. Coyote Trading Global Futures dynamically and systematically shifts risk allocations among asset classes and underlying parameter choices. Strategy assets are $1.835 billion as of March 2018.

Coyote Trading Global Trend is a systematic trend-following trading program designed to capture medium to long-term trends in global futures markets. The program is comprised of several sub-strategies, each designed to capture trends in different market environments. The program trades a spectrum of futures contracts globally including: interest rates, bonds, currencies, equity indices, energy and metals. Global Trend utilizes a Bayesian adaptation methodology to dynamically shift risk across sub-strategies, underlying parameter/speed combinations, and asset classes. Strategy assets are $324 million as of March 2018.

Coyote Trading Value Market Neutral is a systematic market neutral cash equities trading program that seeks to pick attractively priced stocks according to profitability and earnings metrics. The program trades single-name equities and systematically allocates among holdings to reduce internal correlation. Strategy assets are $15.65 million as of March 2018.

Trade Implementation

Trading is fully systematic with manual oversight. Coyote Trading's OMS (Order Management System) serves as the control center for all trading operations: 1) Starts the day with updated signals and positions from the trading models and updated holdings after verifying the integrity of the input data. 2) Generates the order book of all products and updates it when market moves result in change in intraday positions. 3) Tracks and verifies trading signals for intraday trades. 4) Displays a summary view of triggered trades and any discrepancies from current long/short positions. 5) Relays the limit order book and intraday updates and orders to EMS for execution. 6) Books aggregate trade fills from the execution management system and allocates across accounts. 7) Provides a snapshot view of current P/L across accounts.

Allocation and Aggregation of Client Trades

Coyote Trading allocates its bunched orders with a pro rata methodology that attempts to maintain, in the aggregate, each account's proportional share of the bunched order as each partial fill is received, without regard to differences in price. In other words, as each partial fill is received, the lots are allocated across accounts so that the accounts share in the total lots received in as close as possible to the same proportion that they participate in the total order. In cases of a tie between accounts, where allocating a particular lot to either of two accounts would nonetheless maintain the total proportions as closely as possible, a buy order lot will be allocated to the account first in Coyote Trading's static account order and a sell order lot will be allocated first to the account listed last in the account order.

The CCO will arrange for a quarterly review of the fairness and accuracy of its trade allocations and will document such review. This review may be conducted by either internal or external personnel at the direction of the CCO.

EVALUATOR'S OVERALL RECOMMENDATION

When it comes to systematic trend programs and, specifically, trend following programs, we have always focused much less on the methods of generating entry (and often exit) signals as these tend to be strikingly similar from program to program. Instead we put more emphasis on the asset allocation and risk controls of these approaches. We review many new and established systematic trend following strategies that claim to offer something "new and different," but these rarely deliver as advertised.

From our review of Global Multi-Quant, however, there does appear to be some merit to the firm's claim to being "anticipating" versus "following and joining" trends, although to say "anticipating" may be stretching things a bit -- the better term may be "early identification." The firm's Bayesian-based, adaptable approach to parameter setting, risk allocations, and holding periods, seems to add notable value – particularly in range-bound and choppier periods that have challenged other more traditional systematic trend methods.

As a firm, Coyote Trading is highly institutional, uses best practices, has thorough processes, protocols and documentation, and is highly accessible and professional. Members of Kettera's Investment Committee have been watching Coyote Trading for up to 15 years and approve of the resources they've spent and acquired to grow into the $5.4 billion-dollar asset manager they are today.

In short, we would recommend the approval of the Coyote Trading Multi-Quant program for the platform.

I. QUANTITATIVE ANALYSES

Attachment 1: Hydra Manager Performance Analysis (from Dailies; as originally run in August 2017)

Hydra Platform
by Kettera Strategies

Coyote Trading

Mar-2018
Page 1

Gross Monthly Returns (from dailies) at 1.00 leverage

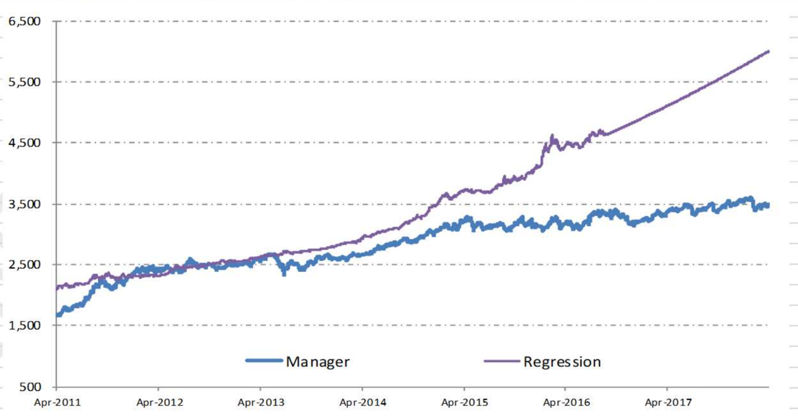
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	-0.09%	-2.58%	0.83%										-1.85%
2017	-0.39%	4.74%	-0.25%	1.32%	1.19%	-3.60%	1.55%	3.22%	-3.07%	3.55%	-0.21%	1.47%	9.60%
2016	0.78%	4.16%	-3.39%	-2.36%	1.52%	5.49%	1.62%	-0.90%	1.67%	-3.26%	-2.56%	1.28%	3.65%
2015	3.50%	-0.02%	1.05%	-1.80%	1.49%	-2.18%	1.56%	-4.28%	3.78%	1.34%	0.87%	-3.30%	1.68%
2014	0.42%	2.17%	-0.10%	1.13%	3.94%	0.92%	-0.20%	4.09%	-1.83%	3.07%	3.43%	-0.12%	18.05%
2013	-0.04%	0.04%	3.01%	3.32%	-3.62%	-5.51%	2.63%	-2.26%	0.72%	3.71%	1.71%	-2.83%	0.38%
2012	3.56%	-0.04%	-1.00%	2.01%	-1.04%	-1.86%	6.68%	-2.30%	0.03%	-2.39%	1.52%	1.17%	6.11%
2011	-3.76%	3.63%	-1.14%	7.44%	1.37%	0.06%	11.22%	6.32%	-0.88%	-0.19%	4.34%	6.09%	39.15%
2010	1.75%	6.99%	3.91%	3.95%	2.37%	4.83%	3.05%	10.02%	-0.76%	-0.57%	-3.26%	1.44%	38.51%
2009	-2.27%	1.41%	3.36%	-2.29%	0.02%	-0.63%	1.68%	3.07%	4.51%	-0.15%	7.77%	-5.74%	10.50%
2008	1.33%	7.01%	2.93%	-5.39%	-1.70%	2.17%	-1.13%	-5.36%	1.81%	-7.59%	7.43%	5.59%	5.91%

Monthly Returns (from dailies) Net of 1.50% and 20.0% Fees

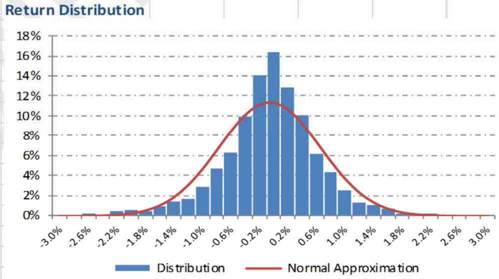
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	-0.21%	-2.70%	0.71%										-2.22%
2017	-0.51%	4.62%	-0.37%	1.20%	0.95%	-3.73%	1.43%	2.87%	-3.20%	3.22%	-0.43%	1.00%	6.93%
2016	0.66%	3.99%	-3.52%	-2.48%	1.39%	5.23%	1.23%	-1.03%	1.24%	-3.38%	-2.69%	1.15%	1.95%
2015	2.88%	-0.51%	0.45%	-1.93%	1.36%	-2.31%	1.43%	-4.41%	3.66%	1.22%	0.75%	-3.42%	-1.15%
2014	0.29%	2.04%	-0.22%	1.01%	3.36%	0.54%	-0.33%	3.31%	-1.97%	2.38%	2.23%	-1.06%	12.03%
2013	-0.16%	-0.08%	2.64%	2.63%	-3.75%	-5.64%	2.50%	-2.39%	0.60%	3.59%	1.59%	-2.96%	-0.05%
2012	2.96%	-0.51%	-1.18%	1.53%	-1.22%	-1.84%	5.59%	-2.71%	-0.31%	-2.51%	1.40%	1.05%	1.94%
2011	-3.88%	3.50%	-1.27%	7.11%	0.84%	-0.38%	9.16%	3.57%	-2.91%	-0.31%	3.84%	4.96%	27.05%
2010	1.38%	5.40%	1.93%	3.45%	1.51%	3.25%	2.64%	7.89%	-2.33%	-0.70%	-3.39%	1.31%	24.15%
2009	-2.40%	1.29%	3.23%	-2.42%	-0.11%	-0.76%	1.55%	2.95%	4.17%	-0.28%	6.32%	-5.72%	7.47%
2008	1.20%	6.40%	2.65%	-5.51%	-1.82%	2.04%	-1.26%	-5.48%	1.68%	-7.71%	7.31%	5.47%	3.71%

Performance	
Annualized Return	11.27%
Annualized StDev	11.14%
1 Year Return	1.28%
2 Year Return	10.75%
3 Year Return	11.57%
Consistency	
% Positive	56.05%
Best Daily Return	3.61%
Worst Daily Return	-5.33%
Avg. Daily Return	0.05%
Avg. Positive	0.49%
Avg. Negative	-0.52%
Risk Measures	
Sharpe (0.0%)	1.01
Sortino (0.0%)	1.29
Up Dev (0.0%)	6.97%
Down Dev (0.0%)	8.71%
Hist VaR (95%)	-1.15%
Hist CVaR (95%)	-1.72%

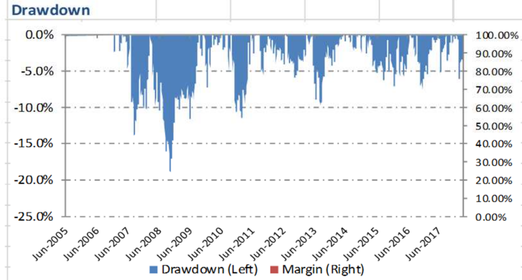
VAMI



Return Distribution



Drawdown



Distribution Stats	
Skewness	-0.60
Kurtosis	4.01
Autocorrelation	0.13

Drawdown Analysis

Depth	Length	Through	Beginning	End
-20.40%	561	222	3/17/2008	9/29/2009
-16.35%	223	28	7/20/2007	2/28/2008
-12.70%	282	36	5/20/2013	2/26/2014

Attachment 2: Manager's Own Published Performance

Coyote Trading

March 30, 2018

Assets Under Management

	Total Firm	Contrarian	Diversified	Futures	Trend	VMN
Firm AUM:	$ 5,400,092,710	$ 2,636,896,969	$ 587,337,633	$ 1,835,750,660	$ 324,457,171	$ 15,650,276
Prop. AUM:	$ 71,160,889	$ 3,806,167	$ 51,704,447	$ -	$ -	$ 15,650,276

Firm Description

Global Contrarian Description

Global Contrarian is a systematic, trend-anticipating trading program that seeks to capitalize on medium to long-term trends. It trades a spectrum of futures contracts that includes: interest rates, bonds, currencies, equity indices, energy, and metals in the global markets. Its typical holding period is between 2 and 8 weeks. Unlike trend-following programs that attempt to identify existing trends, Global Contrarian attempts to anticipate trends by identifying price behaviors that signal possible turning points. Global Contrarian is not a counter-trend program; it is designed to purchase as prices decline toward support levels and sell as prices rise toward resistance levels. Global Contrarian dynamically and systematically shifts risk allocations among asset classes and underlying parameter choices.

Track Record

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018	-0.27	-2.75	0.66										**-2.37%**
2017	-0.57	4.40	-0.40	1.07	0.89	-3.60	1.32	2.73	-2.93	3.02	-0.30	1.04	**6.56%**
2016	0.59	3.78	-3.39	-2.53	1.33	4.99	1.15	-0.87	1.20	-3.42	-2.74	1.09	**0.77%**
2015	2.64	-0.16	0.70	-1.98	1.30	-2.36	1.35	-4.43	3.58	1.13	0.65	-3.43	**-1.32%**
2014	0.19	1.61	-0.22	0.78	3.05	0.59	-0.38	3.19	-1.65	2.33	2.59	-0.24	**12.35%**
2013	-0.23	-0.14	2.39	2.52	-3.17	-5.67	2.44	-2.38	4.31	3.20	1.24	-2.39	**1.61%**
2012	2.68	-0.19	-0.98	1.47	-1.01	-1.96	5.50	-2.01	-0.14	-2.58	1.32	0.98	**2.82%**
2011	-3.92	3.44	-1.32	6.70	0.98	-0.10	8.73	4.90	-0.89	-0.39	3.42	4.69	**28.69%**
2010	1.42	5.64	3.02	3.04	1.78	3.76	2.34	7.92	-0.74	-0.72	-3.42	1.26	**27.84%**
2009	-2.48	1.21	3.15	-2.53	-0.18	-0.83	1.48	2.85	4.28	-0.37	6.54	-5.07	**7.74%**
2008	1.12	6.64	0.68	-5.55	-1.88	1.97	-1.31	-5.53	1.62	-7.76	7.22	5.36	**1.29%**
2007	1.87	-0.08	1.52	3.84	1.86	-0.14	-4.37	-5.87	3.17	5.24	-3.27	0.66	**3.84%**
2006	1.93	-0.39	0.10	0.62	-3.51	0.98	0.66	4.63	0.52	1.20	3.05	0.99	**11.10%**
2005	1.25	-0.44	-0.16	1.52	1.78	1.13	0.29	-0.97	1.17	-3.35	4.20	0.79	**7.25%**
2004	0.59	7.13	3.05	-6.70	-1.77	-0.30	2.67	3.39	2.72	4.58	3.12	1.45	**18.45%**
2003	7.21	1.35	1.35	0.04	4.79	0.66	-2.83	-0.95	4.77	-5.02	2.56	9.28	**24.74%**
2002										2.98	-5.01	13.35	**10.88%**

Performance Metrics*

	Global Contrarian				S&P 500 Total Return				SG CTA Index			
As of: March 30, 2018	Since Oct-2002	10 Year	Pre-Crisis**	Post-Crisis**	Since Oct-2002	10 Year	Pre-Crisis**	Post-Crisis**	Since Oct-2002	10 Year	Pre-Crisis**	Post-Crisis**
Compounded Annual Average	10.1%	7.2%	12.0%	8.9%	9.6%	9.5%	6.8%	11.4%	3.6%	1.5%	6.6%	1.8%
Ann. Standard Deviation	11.1%	10.3%	12.4%	10.2%	13.4%	15.0%	10.9%	14.7%	8.1%	7.9%	8.3%	8.0%
Ann. Negative Semi-Deviation	6.3%	6.1%	7.0%	5.7%	8.9%	10.2%	7.3%	9.8%	5.0%	5.2%	4.7%	5.2%
Sharpe Ratio	0.76	0.63	0.69	0.82	0.59	0.59	0.33	0.74	0.27	0.12	0.40	0.17
Sortino Ratio	1.61	1.17	1.71	1.55	1.08	0.92	0.93	1.16	0.72	0.29	1.40	0.35
Worst Month	-8.7%	-7.8%	-8.7%	-7.8%	-16.8%	-16.8%	-8.9%	-16.8%	-6.3%	-6.3%	-5.5%	-6.3%
Maximum Drawdown	-17.4%	-17.4%	-11.9%	-8.7%	-51.0%	-46.4%	-23.2%	-36.1%	-12.6%	-12.6%	-10.3%	-12.6%
Correlation with Global Contrarian					0.06	0.10	-0.08	0.14	0.56	0.52	0.61	0.52

*The above metrics are historical. There is no guarantee similar metrics will be achieved in the future. See definitions on the last page of this document.

**Crisis refers to the global financial crisis of late 2008. Pre-crisis period is Oct-2002 through Sep-2008. Post-crisis period is Oct-2008 through present.

Important Information and Disclosures

Returns reflect reinvestment of all income and are net of all expenses, transaction costs and fees, including a 2% per annum monthly management fee and a 20% quarterly profit allocation, unless otherwise indicated. The returns are of a representative account selected because it has been fully funded since inception. **There can be no assurance that the Global Contrarian program will achieve its objective or avoid incurring substantial or total losses.**

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

599 Lexington Ave., 45th Floor | New York, NY 10022 | John Haggerty, john.haggerty@fortip.com, 212.202.5850 || 2 Wisconsin Cir., Suite 1150 | Chevy Chase, MD 20815 | Drew Keller, drew.keller@fortip.com, 301.298.1254

Attachment 3: Hydra One-Page Performance Summary

Hydra Platform by Kettera Strategies

Coyote Trading

April 2018

The l program relies on price-based models, but is designed to have a unique risk/return profile different from the more typical systematic (e.g. trend following) programs. To achieve this the program's designers have tried to anticipate entry points that are above the market (sells) and below (buys), while focusing on exiting trends early to avoid losses. The program also allocates risk to markets using Bayesian and momentum-based processes.

					Monthly Net Performance[1]								
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	(0.28%)	(2.75%)	0.66%										(2.38%)
2017	(0.57%)	4.40%	(0.40%)	1.07%	0.89%	(3.60%)	1.32%	2.73%	(2.93%)	3.02%	(0.30%)	1.05%	6.57%
2016	0.59%	3.78%	(3.39%)	(2.53%)	1.33%	4.97%	1.15%	(0.87%)	1.19%	(3.41%)	(2.75%)	1.09%	0.74%
2015	2.64%	(0.16%)	0.70%	(1.98%)	1.30%	(2.36%)	1.35%	(4.43%)	3.58%	1.13%	0.65%	(3.43%)	(1.34%)
2014	0.19%	1.61%	(0.22%)	0.78%	3.05%	0.59%	(0.38%)	3.19%	(1.65%)	2.33%	2.59%	(0.24%)	12.36%
2013	(0.23%)	(0.14%)	2.39%	2.52%	(3.17%)	(5.67%)	2.43%	(2.38%)	4.31%	3.20%	1.25%	(2.39%)	1.62%
2012	2.68%	(0.19%)	(0.98%)	1.47%	(1.01%)	(1.96%)	5.50%	(2.01%)	(0.14%)	(2.58%)	1.32%	0.96%	2.81%
2011	(3.92%)	3.44%	(1.32%)	6.70%	0.98%	(0.10%)	8.73%	4.90%	(0.89%)	(0.39%)	3.42%	4.69%	28.70%
2010	1.42%	5.64%	3.02%	3.05%	1.78%	3.76%	2.34%	7.92%	(0.74%)	(0.72%)	(3.42%)	1.25%	27.84%
2009	(2.48%)	1.21%	3.15%	(2.53%)	(0.18%)	(0.83%)	1.47%	2.85%	4.28%	(0.37%)	6.54%	(5.05%)	7.74%
2008	1.13%	6.64%	0.68%	(5.55%)	(1.88%)	1.97%	(1.31%)	(5.53%)	1.62%	(7.76%)	7.22%	5.36%	1.30%
2007	1.87%	0.01%	1.43%	3.84%	1.86%	(0.14%)	(4.37%)	(5.87%)	3.17%	5.26%	(3.30%)	0.65%	3.85%
2006	1.93%	(0.39%)	0.10%	0.62%	(3.51%)	0.98%	0.66%	4.63%	0.52%	1.20%	3.05%	0.99%	11.10%

VAMI: Growth of $1,000[3]

Annual Returns	Fort	SG CTA[2]	S&P 500[3]
2018	(2.38%)	(2.81%)	(1.22%)
2017	6.57%	2.49%	19.41%
2016	0.74%	(2.88%)	9.55%
2015	(1.34%)	(0.02%)	(0.72%)
2014	12.36%	15.58%	11.38%
2013	1.62%	0.74%	29.61%
2012	2.81%	(2.87%)	13.40%
2011	28.70%	(4.43%)	1.06%
2010	27.84%	9.26%	15.05%
2009	7.74%	(4.31%)	26.46%
2008	1.30%	13.07%	(37.00%)
2007	3.85%	8.05%	5.49%

Volatility Analysis	Fort	SG CTA[2]	S&P 500[3]
% Positive	62.37%	54.84%	66.67%
Max Drawdown	(17.42%)	(12.60%)	(50.95%)
Largest Gain	13.35%	5.61%	10.77%
Largest Loss	(8.70%)	(6.34%)	(16.79%)
Volatility (σ)	11.06%	8.13%	13.52%

Risk Return Ratios	Fort	SG CTA[2]	S&P 500[3]
Sharpe Ratio	0.92	0.46	0.71
Sortino Ratio	1.50	0.86	0.92

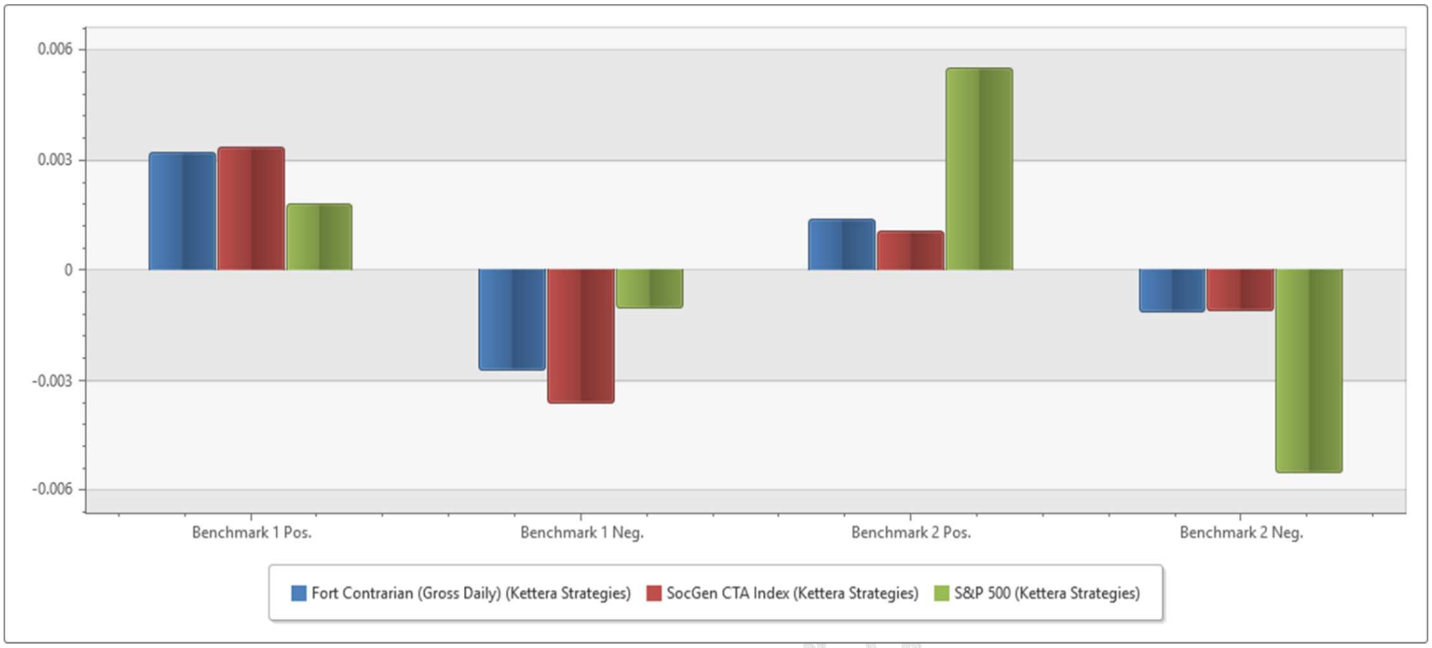
Return Analysis	Fort	SG CTA[2]	S&P 500[3]
Growth of $1,000	$4,418.90	$1,690.31	$3,858.17
Cumulative Return	341.89%	69.03%	285.82%
Average Gain	2.69%	2.05%	2.88%
Average Loss	(2.19%)	(1.80%)	(3.33%)
Annualized Return	10.06%	3.44%	9.10%

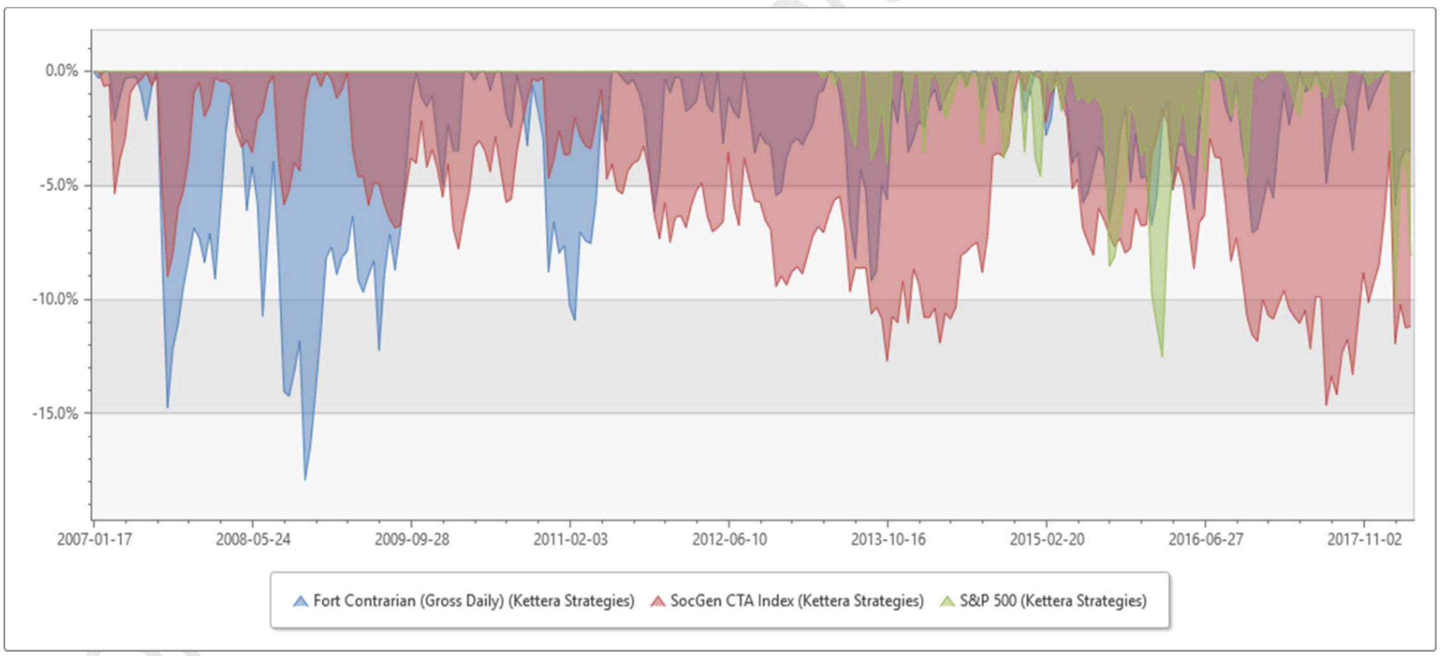
Risk Analysis	Fort	SG CTA[2]	S&P 500[3]
Correlation (r)		49.02%	4.69%
r^2		0.240	0.002
Downside Dev.	1.97%	1.25%	3.04%
Skewness	0.18	0.00	(0.70)
Kurtosis	1.28	(0.42)	2.21

Investment Terms	
Liquidity	Bi-Monthly (Daily On Request)
Strategy AUM	*US $2.1 Billion*
Cell AUM (Nominal)	Pending funding
Minimum Investment	US $5 Million nominal (to initiate)
Lockup Period	None
Management Fee	1.50%
Incentive Fee	20%, with HWM
Maximum Funding Factor	3X
Contact	info@KetteraStrategies.com

Cumulative vs. Rolling 12 Month Volatility for Strategy

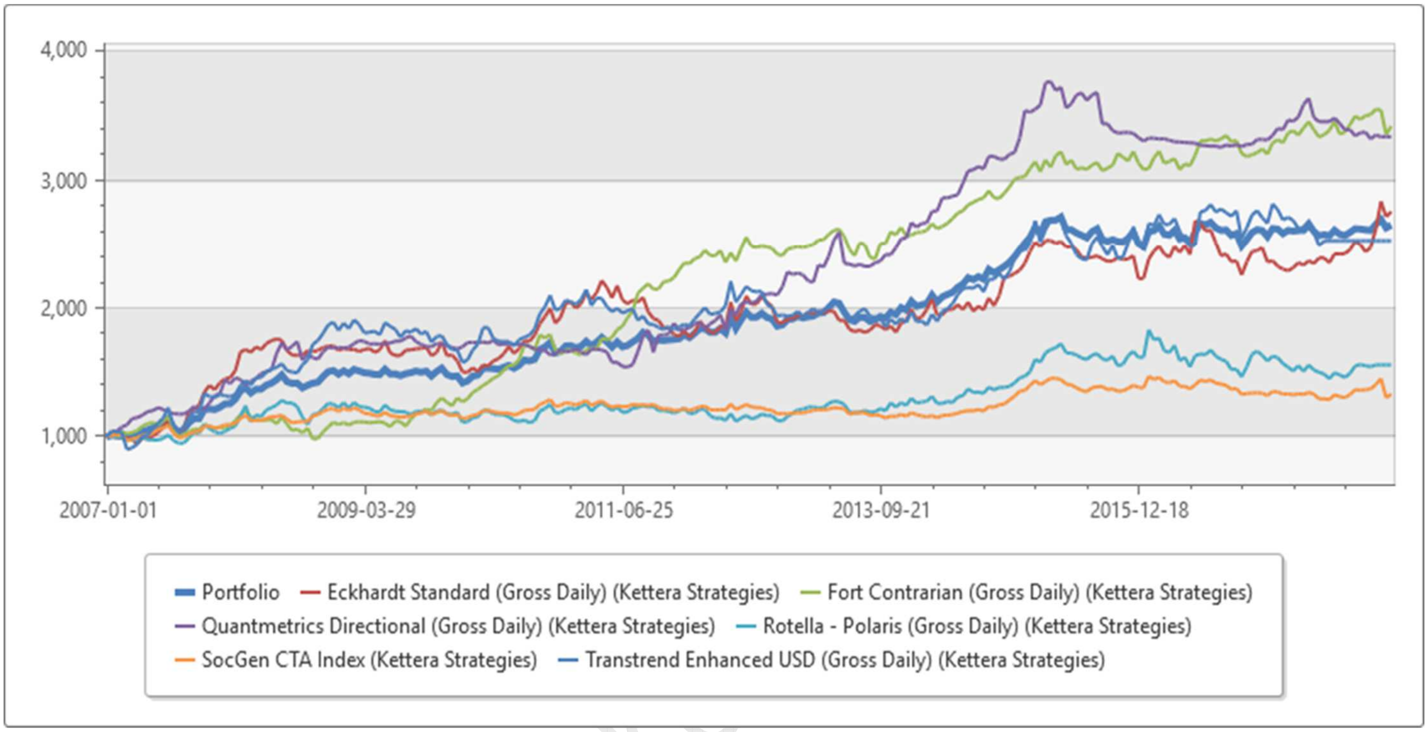
Attachment 4: Manager vs Industry Benchmarks (all based on daily returns)





Attachment 5: Peer Comparisons & Interactive Analyses (all are based on daily returns)

Selected Peers - The studies below use various peers of the manager, plus one "control" component not highly correlated (Quantmetrics)



Row Header	Port (All Peers-Equal Wt)	Eckhardt Standard (	Fort Contrarian (Gr	Quantmetrics Dir	Rotella - Polaris ((	SocGen CTA Index	Transtrend Enhanced
Annualized Return	9.14%	9.52%	11.66%	11.42%	4.09%	2.63%	8.68%
Annualized Deviation	8.90%	16.32%	12.89%	13.24%	15.83%	9.01%	18.67%
Annualized Sharpe Ratio	1.03	0.87	1.27	1.22	0.44	0.45	0.75
Annualized Sortino Ratio	1.29	1.22	1.61	1.44	0.59	0.60	0.99
Maximum Drawdown	-10.35%	-23.63%	-19.81%	-14.90%	-24.61%	-14.87%	-18.49%
Skewness	-0.65	-0.19	-0.64	-0.85	-0.52	-0.50	-0.47
Kurtosis	9.33	5.81	7.46	25.44	9.00	5.65	7.29
Upside Average	0.23%	0.61%	0.47%	0.34%	0.58%	0.34%	0.68%
Upside Frequency	0.68	0.54	0.56	0.60	0.53	0.54	0.54
Upside Deviation	0.32%	0.57%	0.42%	0.55%	0.54%	0.29%	0.63%
Upside Potential Ratio	0.62	1.00	0.89	0.58	0.93	0.95	0.92
Downside Average	-0.42%	-0.63%	-0.50%	-0.41%	-0.61%	-0.36%	-0.72%
Downside Frequency	0.32	0.46	0.44	0.40	0.47	0.46	0.46
Downside Deviation	0.37%	0.61%	0.53%	0.59%	0.62%	0.35%	0.74%
Downside Potential Ratio	-0.60	-1.04	-0.93	-0.54	-0.96	-1.00	-0.96
Historical VaR 95%	-0.74%	-1.33%	-1.06%	-0.89%	-1.30%	-0.78%	-1.59%
Parametric VaR 95%	-0.74%	-1.37%	-1.06%	-1.10%	-1.34%	-0.76%	-1.57%
Correlation to Portfolio	1.000	0.788	0.676	0.381	0.812	0.844	0.840
Beta to Portfolio	1.00	1.22	0.83	0.48	1.22	0.72	1.46

Correlation Analyses Among Peers & BM

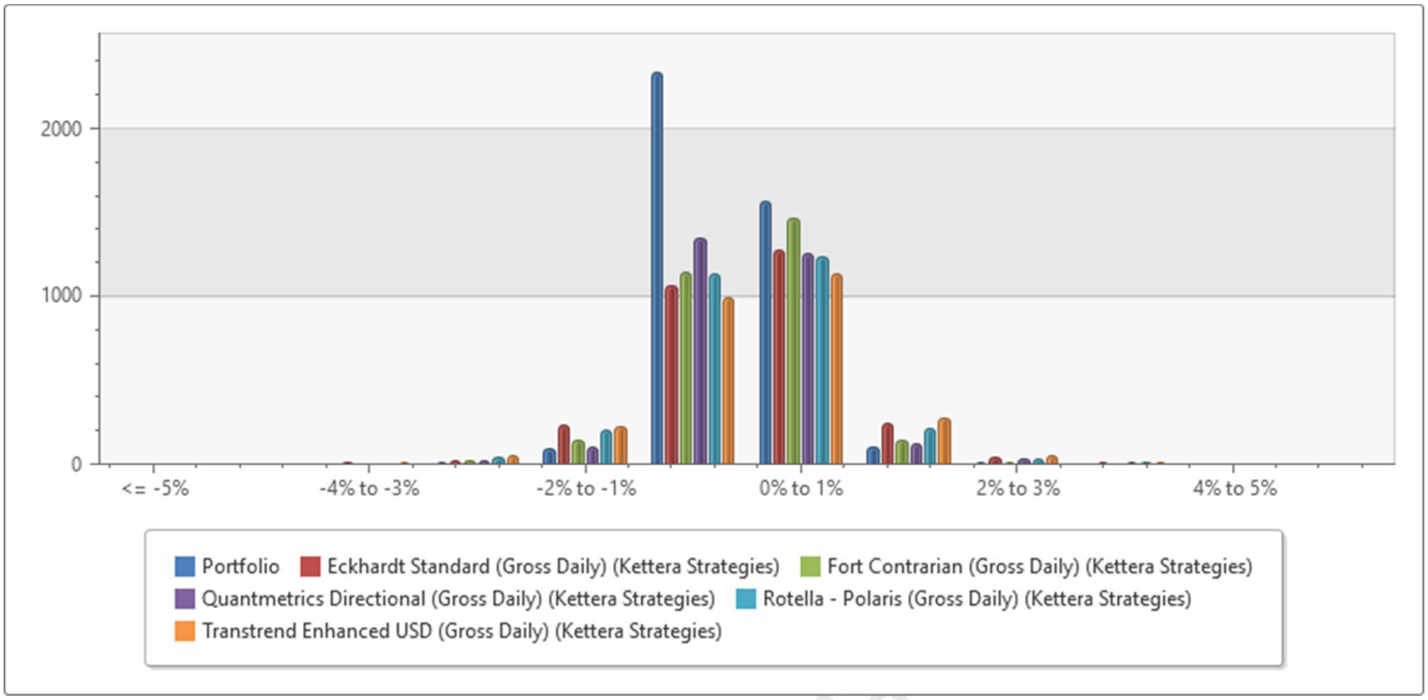
Row Header	Portfolio	Eckhardt Standar	Fort Contrarian (Gr	Quantmetrics Dir	Rotella - Polaris (	SocGen CTA Inde	Transtrend Enhanced U
Portfolio	1.000	0.788	0.676	0.381	0.812	0.844	0.840
Eckhardt Standard (Gross Daily) (Ke	0.788	1.000	0.435	0.077	0.648	0.674	0.602
Fort Contrarian (Gross Daily) (Ketter	0.676	0.435	1.000	0.121	0.451	0.564	0.465
Quantmetrics Directional (Gross Da	0.381	0.077	0.121	1.000	0.101	0.098	0.093
Rotella - Polaris (Gross Daily) (Kette	0.812	0.648	0.451	0.101	1.000	0.804	0.702
SocGen CTA Index (Kettera Strategi	0.844	0.674	0.564	0.098	0.804	1.000	0.854
Transtrend Enhanced USD (Gross D	0.840	0.602	0.465	0.093	0.702	0.854	1.000

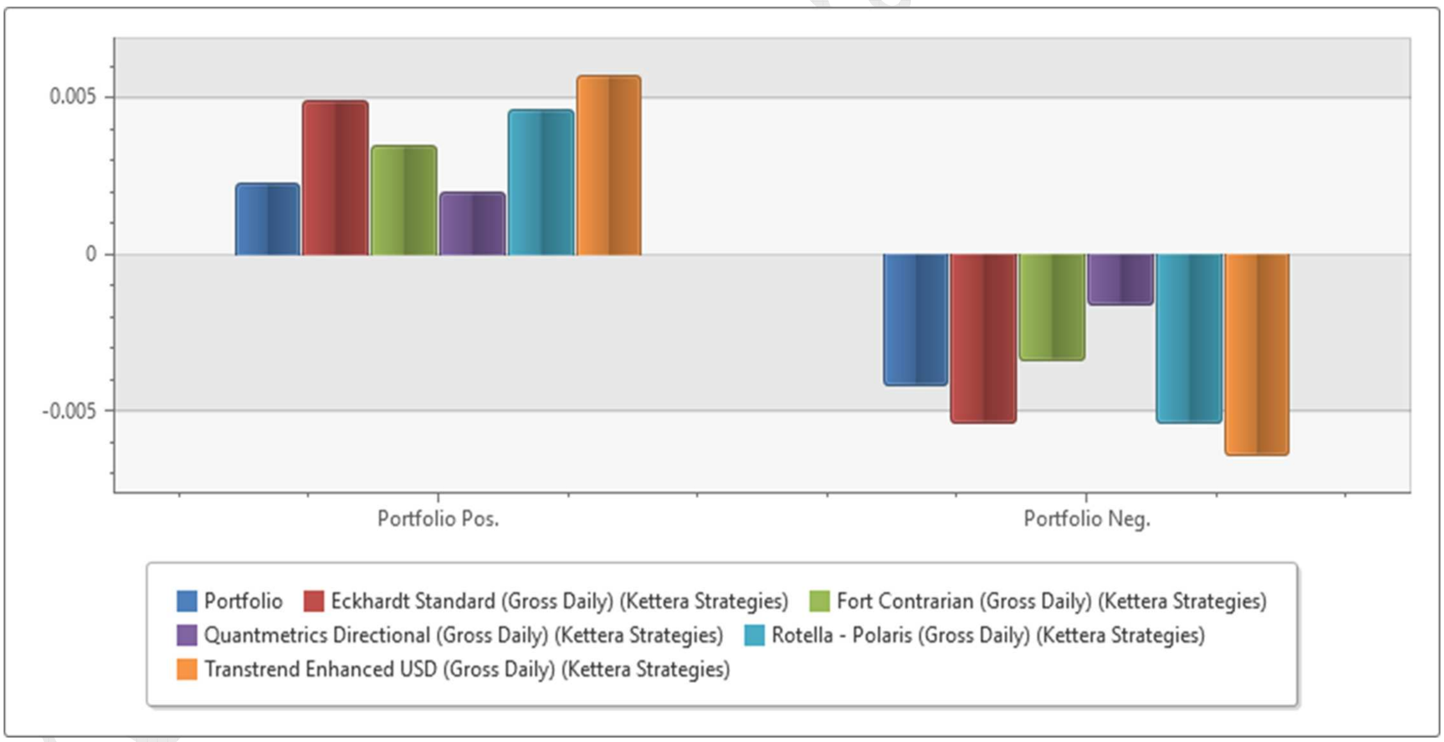
Effect on a Model Portfolio of Peers

The following illustrates the addition or deletion of the manager to/from a portfolio comprised of the peers listed above, plus the additional “control” component (Quantmetrics).

Row Header	100% Peer Port	Splice 1	Splice 2	Splice 3	Splice 4	100% FORT Contra
Annualized Return	9.32%	9.84%	10.34%	10.80%	11.24%	11.65%
Annualized Deviation	8.97%	8.79%	8.91%	9.31%	9.98%	10.85%
Annualized Sharpe Ratio	1.04	1.11	1.15	1.15	1.12	1.07
Annualized Sortino Ratio	1.30	1.40	1.45	1.45	1.40	1.34
Maximum Drawdown	-10.41%	-11.49%	-12.57%	-13.63%	-15.84%	-19.81%
Upside Average	0.23%	0.23%	0.23%	0.24%	0.26%	0.27%
Upside Frequency	0.68	0.69	0.68	0.68	0.68	0.69
Upside Deviation	0.33%	0.32%	0.32%	0.34%	0.36%	0.39%
Upside Potential Ratio	0.61	0.62	0.63	0.63	0.62	0.60
Downside Average	-0.42%	-0.41%	-0.41%	-0.43%	-0.45%	-0.50%
Downside Frequency	0.32	0.31	0.32	0.32	0.32	0.31
Downside Deviation	0.37%	0.37%	0.37%	0.39%	0.42%	0.45%
Downside Potential Ratio	-0.59	-0.60	-0.60	-0.59	-0.58	-0.57
Historical VaR 95%	-0.74%	-0.73%	-0.75%	-0.79%	-0.79%	-0.86%
Parametric VaR 95%	-0.75%	-0.73%	-0.74%	-0.77%	-0.83%	-0.90%

The chart and data above indicate that the manager has appeared to enhance the portfolio over time.





The two charts above indicate that the manager show how the manager has added value vis a vis its selected peers (which includes one non-correlating peer).

Attachment 6: Funding Factor Determination

Hydra Platform
by Kettera Strategies

Global Multi-Quant Program

Confidential - Sept 2017

Target Vol	**10.5%**
Funding Level for Target Vol	**33.4%**
Max Allowable Factor	**2.9**

Manager Funding Factor Calculator

Proprietary and Confidential

Inputs		**Return Analysis**		**Caclulations**	
Hydra Targeted Vol	**10.5%**	Annualized Return	**11.27%**	Volatility Adj Factor	**0.94**
Additional Buffer	**2.0%**	Annualized St Deviation	**11.14%**	Track Record Confidence	**100.00%**
		Worst DD	**-20.40%**	Worst DD Estimate	**-20.40%**
Additional Information		Peak to Through (days)	**222**	Average of Hist & Sim DDs	**-16.90%**
Max M/E (intraday)	**14.0%**	Simulated Worst DD	**-13.40%**	5-day loss to simulated	**198.91%**
Avg M/E (overnite)	**8.0%**	DD to Simulated	**152.22%**	10-day loss to simulated	**149.41%**
Max M/E (overnite)	**14.0%**			15-day loss to simulated	**119.42%**
Months of Live Performance	**130**	Worst 5-day loss	**-9.23%**		
		Worst 5-day simulation	**-4.64%**	ST Velocity Adjustment	**155.91%**
Concentration:				LT Velocity Adjustment	**152.22%**
Ags & Softs	**1.0%**	Worst 10-day loss	**-9.61%**		
Metals & Precious Metals	**1.0%**	Worst 10-day simulation	**-6.43%**	Concentration Adjusted DD	**-13.52%**
Energy	**1.0%**			Avg M/E Usage	**12.50%**
Fixed Income	**1.0%**	Worst 15-day loss	**-9.26%**	Velocity Adjusted DD	**-20.95%**
Stock Indices	**1.0%**	Worst 15-day simulation	**-7.75%**		
G10 Currencies	**1.0%**			Minimum Funding Level	**35.45%**
Non-G10 Currencies	**1.0%**	Total Sectors	**8**	Vol Adj Min Funding Level	**33.42%**
Volatility	**1.0%**	Concentration Factor	**0.8**	Max Allowable Factor	**2.90**

Attachment 7: Location Photo

Washington, D.C.

000 Rittenhouse Street
Philadelphia, PA

II. QUALITATIVE AND OPERATIONAL BACKGROUND

Attachment 8: NFA Summary

[WE INSERT COPIES OF THE NFA RECORDS AND REGULATORY HISTORY OF THE FIRM, AND OF EACH PRINCIPAL, HERE]

Attachment 9: Coyote Trading LP Compliance Manual Table of Contents

Table of Contents

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