



PRESS RELEASE

Steben & Company White Paper: Can You Time Managed Futures? Has the Asset Class Reached a Cyclical Low?

Gaithersburg, MD, September 19, 2017 — Steben & Company, Inc., a leading alternative asset manager, today released its latest [white paper](#) and [video](#) entitled 'Can You Time Managed Futures?' which address some of the potential benefits, challenges and opportunity costs for investors seeking to time an allocation to managed futures.

The results of Steben's research show that recent managed futures risk-adjusted performance, with a -1.99 rolling 12-month Sharpe ratio for the Barclay CTA Index as of June 30, 2017, is at its lowest point ever. The study also finds evidence of historical mean reversion in 12-month Sharpe ratios.

"Fully valued markets are likely to recalibrate due to less accommodating global monetary policy, geopolitical tension and more uncertainty for pro-growth policy," said John Dolfin, Chief Investment Officer of Steben & Company. "A rising volatility environment with compressing valuations could be unfavorable for traditional investments such as stocks and bonds. Given the results of our study and our view of the current environment, we believe investors should contemplate an allocation to managed futures to potentially help offset overall portfolio risk."

Key takeaways from the white paper include:

- The study found a persistent pattern of mean reversion in 12-month Sharpe ratios in all the managed futures benchmarks Steben looked at since 1980.
- Recent managed futures risk-adjusted performance (rolling 12-month Sharpe ratio) is at the low end of the historical range. If the mean reversion pattern continues, this indicator could bode well for managed futures.
- As with most investments, adding to managed futures allocations on a dip in performance and trimming allocations after a run-up may improve results over the long run compared to a static allocation.
- Historically, managed futures performance tends to be concentrated in a few run-up periods.
- The study shows waiting for a 3-month confirmation of positive performance before investing led to missing out on about 40% of the total return in the managed futures run-up.

To read the full [white paper](#) or to view the brief [video](#) that complements the white paper, please visit www.steben.com/education-and-resources or contact us at 240.631.7600.

Please note: **Past Performance Does Not Guarantee Future Results.**

About Steben & Company

Steben & Company is a leading alternative asset manager that specializes in multi-manager products including fund of hedge funds and managed futures strategies. Steben's investment philosophy is defined by high conviction, actively managed exposures with a focus on more liquid, lower beta strategies. Steben's funds are designed to provide investors with the potential benefits of diversification and the opportunity for absolute returns regardless of market direction.

Steben is an alternative investments innovator with more than 25 years of continuous operating experience.

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DEFINITIONS

Barclay CTA Index: Reflects the equal weighted performance of Commodity Trading Advisors (CTAs) reporting to the BarclayHedge database. Self-reporting CTAs are evaluated for inclusion in the CTA index on an annual basis. In order to be included in index, a CTA must have at least four years of prior performance history. CTAs have three months to report their performance to the BarclayHedge database before the monthly performance is finalized. Until the monthly performance is finalized, the performance is estimated based on the funds that have reported. Index inception January 1980. It is not possible to invest directly in an index.

Mean Reversion: A theory suggesting that prices and returns eventually move back towards the historical average.

Sharpe Ratio: A calculation meant to illustrate the amount of return one is achieving per unit of risk. It is derived by dividing the average annual return by the standard deviation of an investment. A higher number tends to signify a better return/risk relationship, whereas a lower number may be seen as unfavorable.

Volatility: The relative rate at which the price of a security moves up and down.

RISK CONSIDERATIONS

Risks include the possible loss of principal. The Steben Managed Futures Strategy Fund is a non-diversified mutual fund that invests up to 25% of its assets in a Cayman Islands subsidiary. Changes in tax laws would likely decrease investment returns. ***An investment in the Fund is speculative. There is no guarantee that the Fund will achieve its investment objectives.*** Any investment should be viewed as part of an overall investment program and should only be made by investors willing to undertake the risk involved. **Diversification does not eliminate risk.** Investing in **commodity futures** subjects the Fund to greater volatility. **Foreign investments** involve risks not typically associated with US investments including fluctuations in foreign currency values, adverse social and economic developments, less liquidity, greater volatility, less developed or inefficient trading markets, political instability and differing auditing and legal standards. For other risks including, but not limited to, derivative instruments, fixed income securities, leverage, below investment grade securities, controlled foreign corporation subsidiary and investments in investment pools, please see Important Disclosures & Risks for Steben Managed Futures Strategy Fund.

Before investing, you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other important information about the Fund is contained in the Fund's prospectus, which can be obtained by calling 855.775.5571 or visiting www.steben.com. Please read the prospectus carefully before investing.

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