

# *Risk Analytics, LLC*

*Ag Commodity Predictive Modeling Results*

# *Modeling Objectives and Methods*

*The development of a unique, proprietary futures price model and associated trading system based on statistical probability for implementation with multiple commodities that would:*

- Allow for the maximum incorporation of pertinent information*
- Be compatible with methods employed by both fundamental and technical traders, as well as for those with either hedging or speculative interests*
- Transform the inherent lagging nature of most technical information into information of a leading nature*
- Provide profitable directional returns (daily and weekly basis)*
- Allow for profitable daily and weekly range trading opportunities*

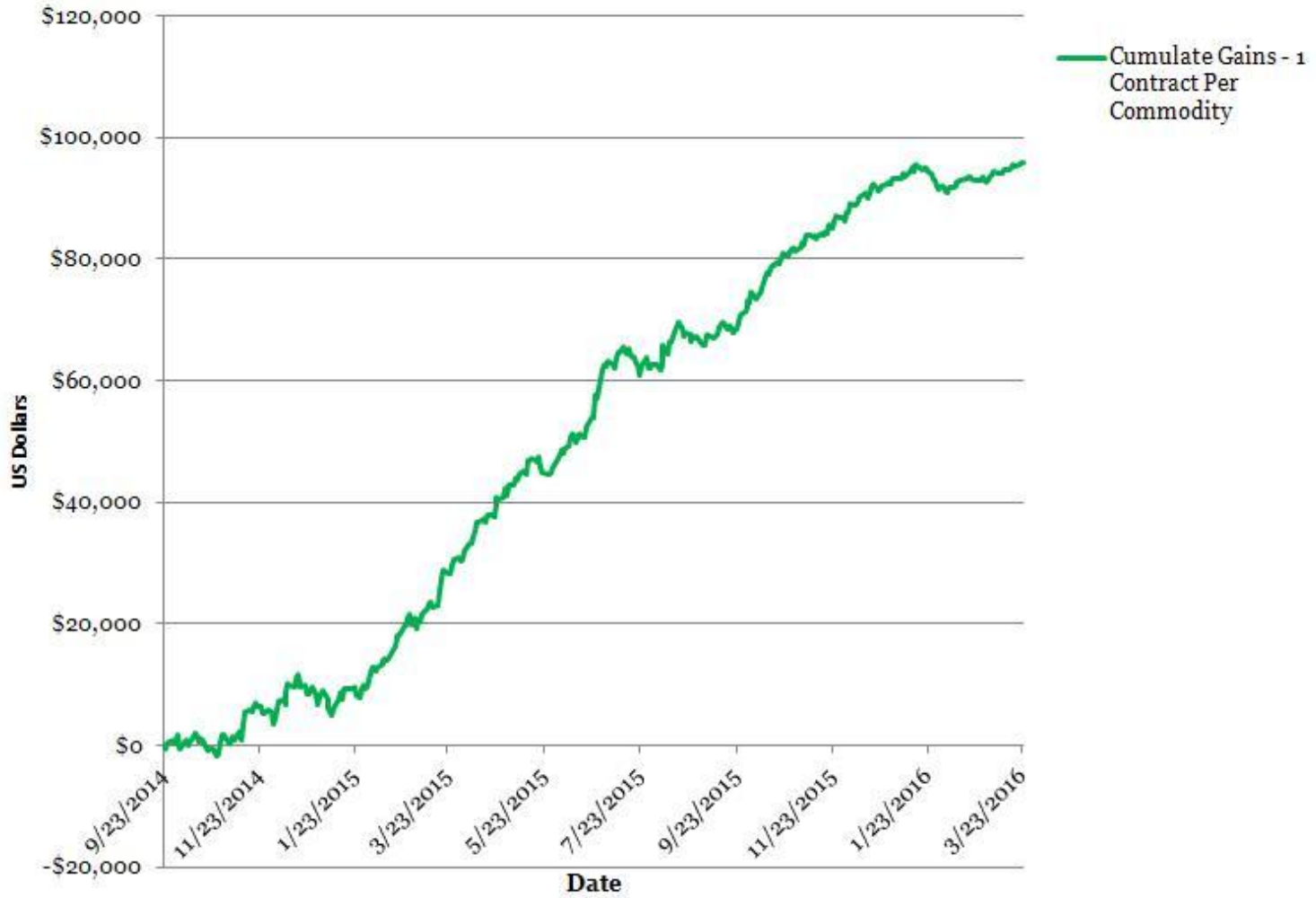
# *Transparency of Results*

- *Results from our proprietary models are disseminated prior to market open (both daily and weekly) for all subscribers to peruse*
- *An archive of all published reports is also available to subscribers such that they can cross check results with our market predictions*

# *Basic Test Portfolio*

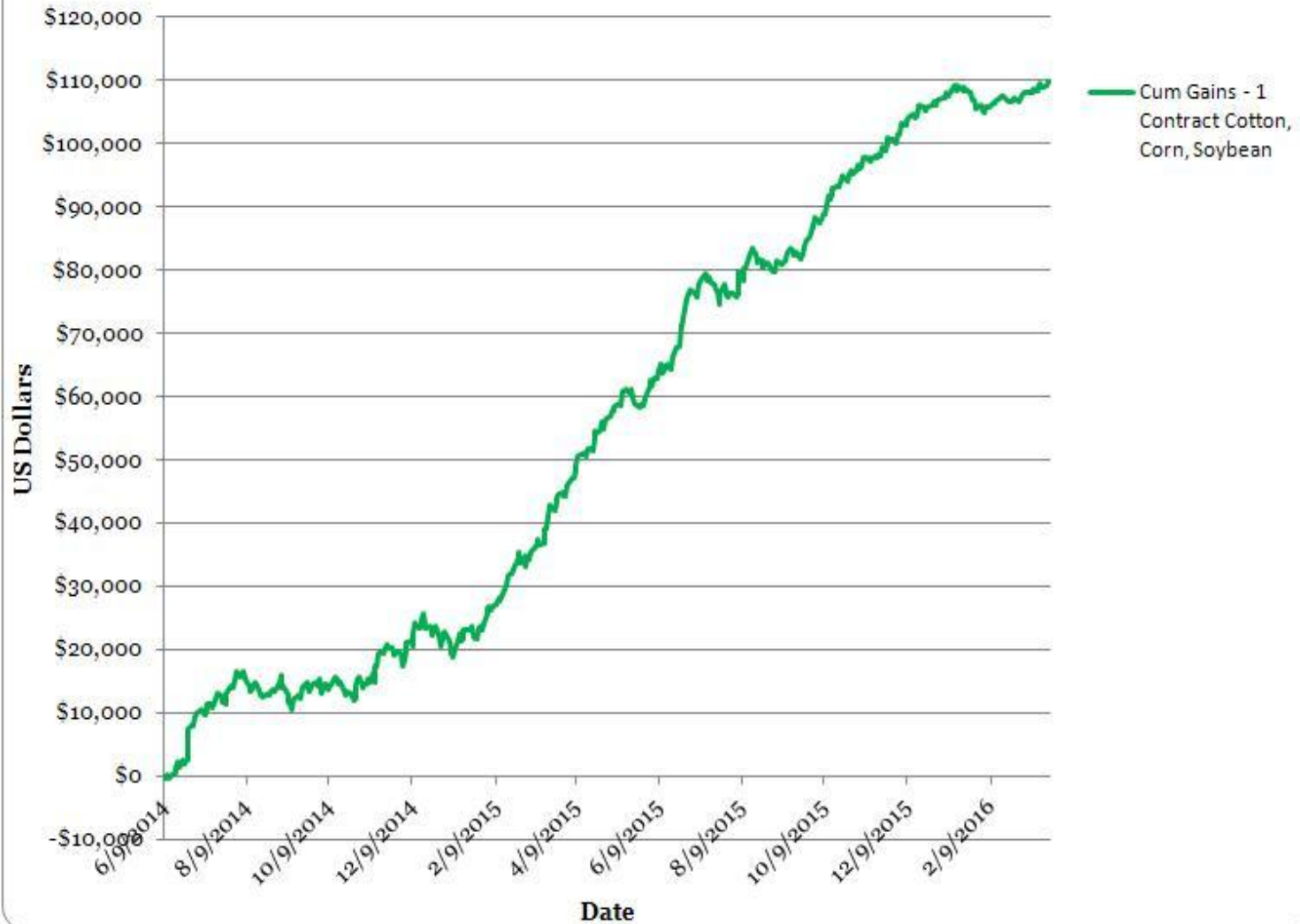
- *All results presented herein are based on a daily settlement-to-settlement basis*
- *For simplicity, the following two slides show daily and weekly cumulative gains from our basic directional strategy for a balanced portfolio of 1 contract each:*
  - *ICE Cotton*
  - *CME corn*
  - *CME Soybeans*
  - *CME Wheat (SRW)*

### Cumulative Daily Model Gains - Single Contract - Since Oct, 2014



Based on one contract each of cotton,  
corn, wheat and soybean

### Cumulative Daily Model Gains - Single Contract - Since June, 2014



Based on one contract each of cotton,  
corn, wheat and soybean

## Cumulative Weekly Model Gains - Single Contract



Based on one contract each of cotton,  
corn, wheat and soybean

## Cumulative Weekly Gains Directional and Range Strategy





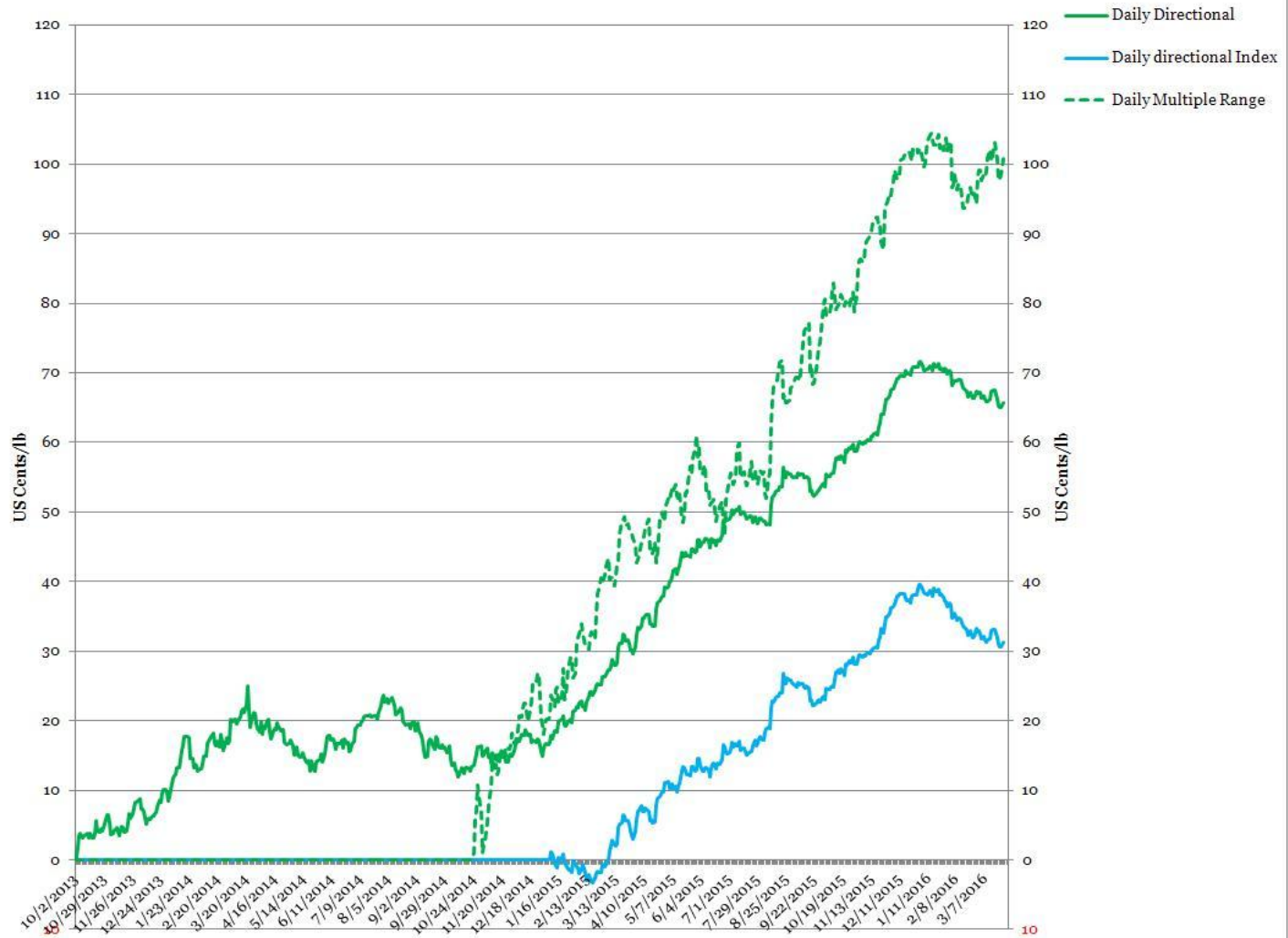
# Value At Risk

<i>Daily Value at Risk - \$100K Investment Unit</i>				
	<i>Daily Directional</i>		<i>Daily Directional - Rolling 5-Day</i>	
<i>VaR</i>		\$243		\$1,227
<i>95% Lower</i>		(\$1,560)		(\$2,706)
<i>95% Higher</i>		\$2,046		\$5,160
<i>Weekly Value at Risk - \$100K Investment Unit</i>				
	<i>Weekly Directional</i>	<i>Weekly Directional + Range</i>	<i>Weekly Directional - Rolling 4-Week</i>	<i>Weekly Directional + Range - Rolling 4-Week</i>
<i>VaR</i>	\$839	\$1,211	\$3,463	\$4,604
<i>95% Lower</i>	(\$2,856)	(\$3,072)	(\$5,501)	(\$4,680)
<i>95% Higher</i>	\$4,533	\$5,493	\$12,427	\$13,888

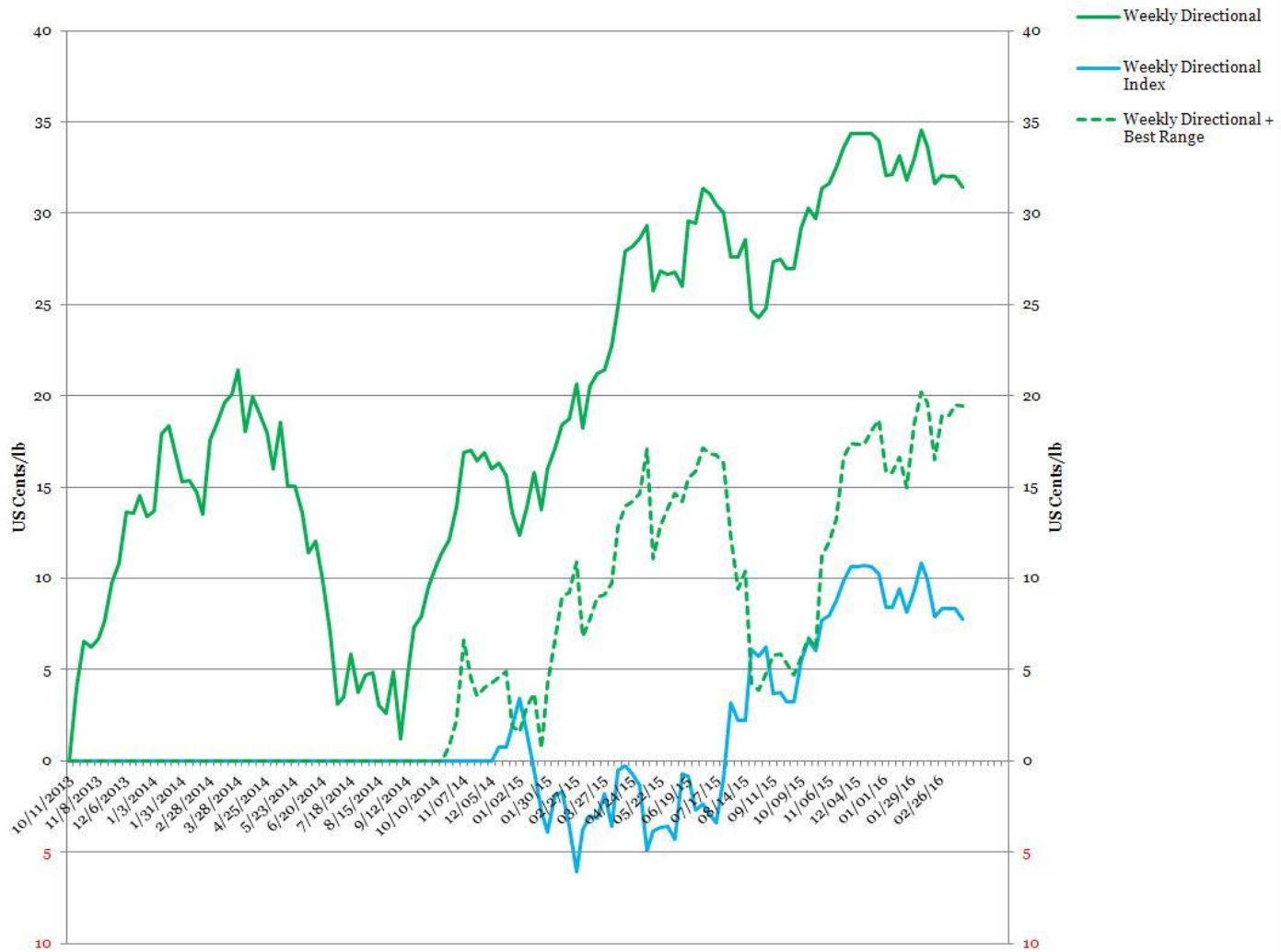
# *Individual Commodity Results*

- *The following slides show cumulative gross gains (daily settlement-to-settlement) from our models:*
  - *Daily*
  - *Weekly*
  - *Indices on technical indicators*

# Cumulative Gains - Daily Cotton Models



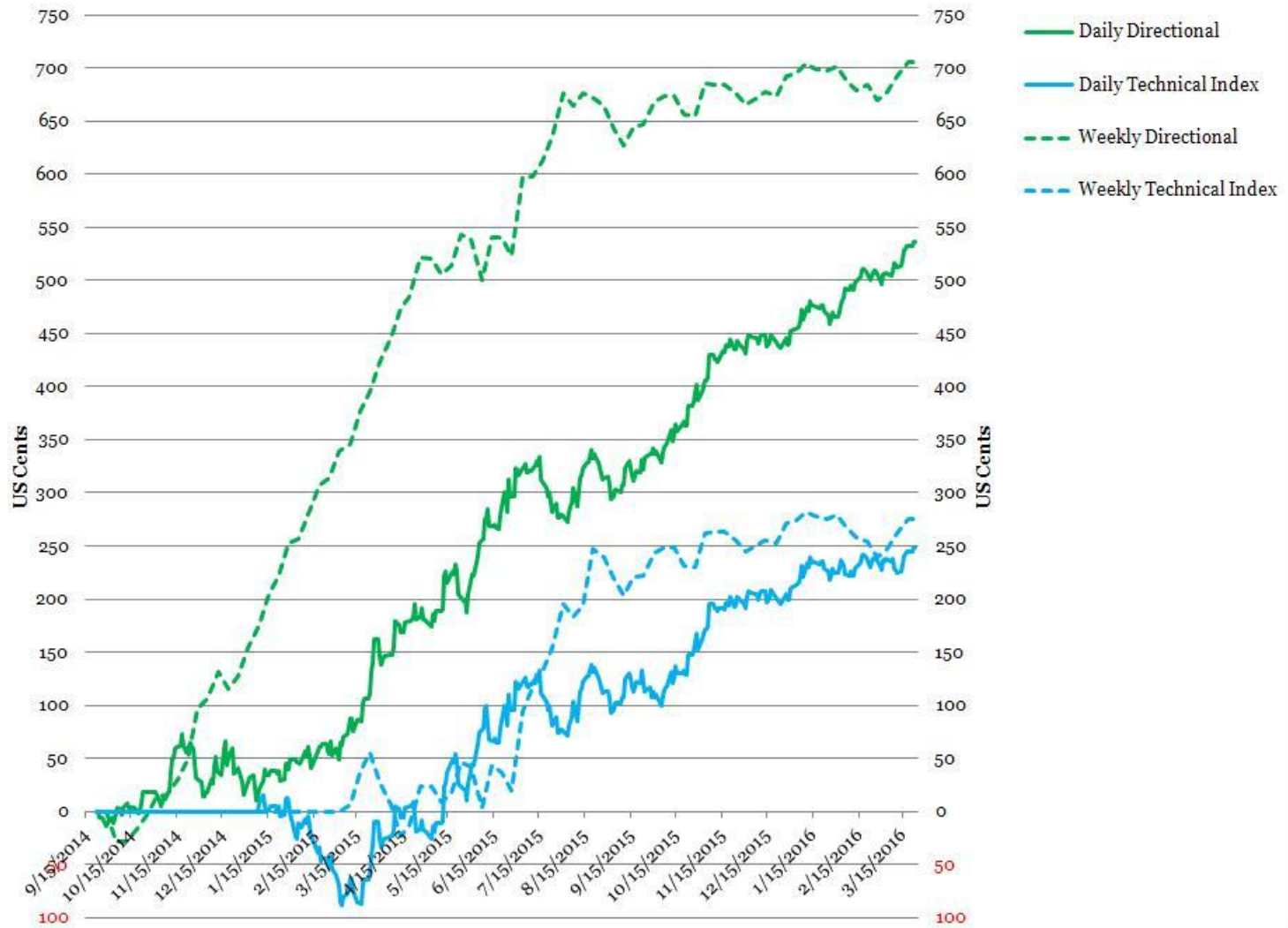
# Cumulative Gains - Weekly Cotton Models



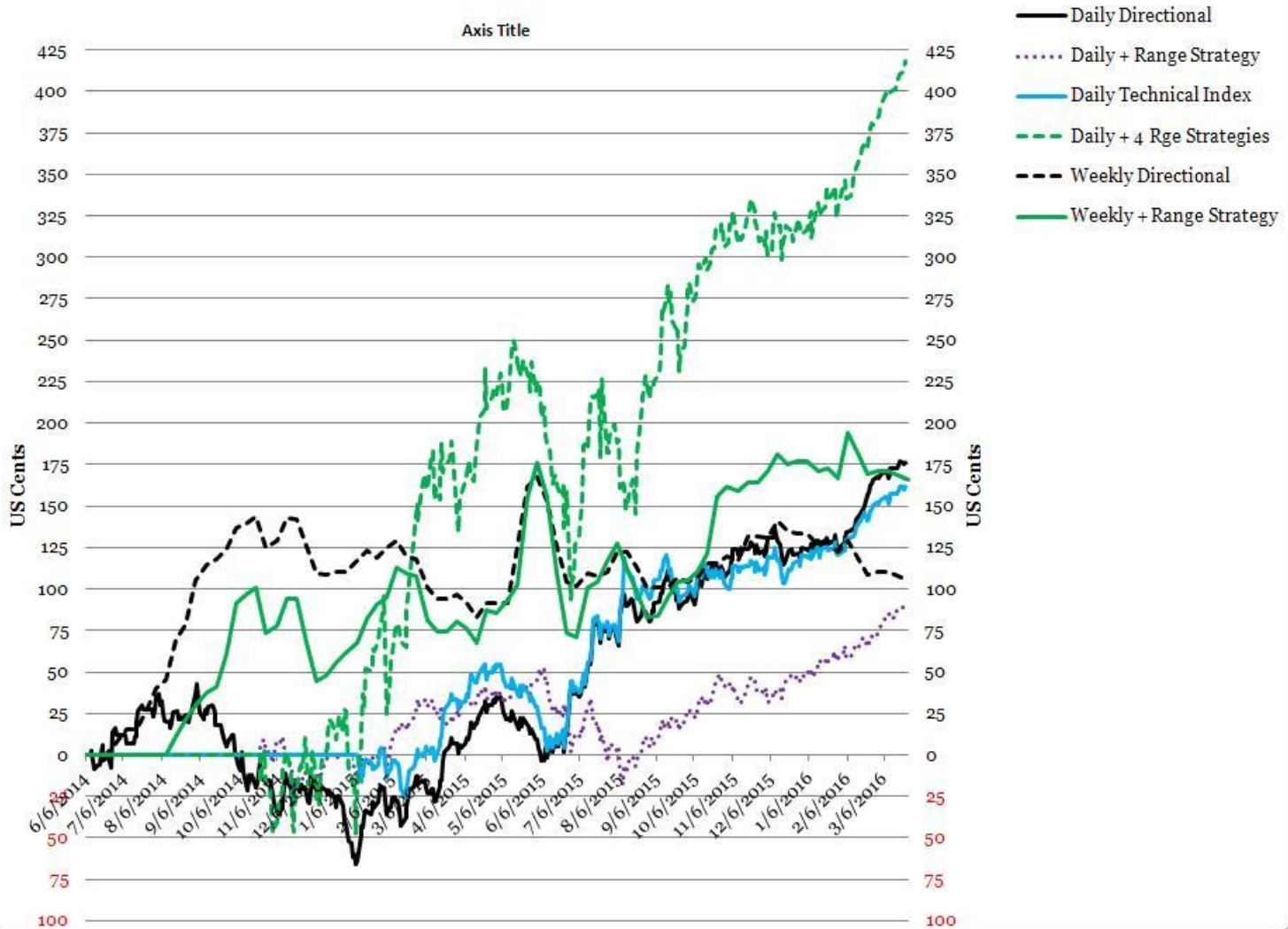
# Cumulative Gains - Soybean Models



# Cumulative Gains - Wheat Models



# Cumulative Gains - Corn Models



# *Evolution of Modeling Method*

*Although the degree of success has thus far been varied for different agricultural commodities, initial studies suggest that profitable results can also be achieved for:*

- Metals*
- Energies*
- Livestock*
- Other softs*



# Consulting

- *In addition to our daily market reports, Risk Analytics provides consulting services in the following areas:*
  - *Custom modeling of futures, insurance and agricultural production data*
  - *Ad hoc analyses*
  - *Data procurement*

# Contact

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# *Louis W Rose IV - Biography*

- *Originally from northeastern AR, grew up on a cotton & grain farm*
- *Education:*
  - *Arkansas State University (B.Sc. Education, M.Sc. Agriculture)*
  - *Oklahoma State University (Ph.D. Plant Sci. – Quant. Genetics)*
  - *University of Memphis (MBA – Global Management)*
- *Career:*
  - *Rose Agricultural Services: 1988 – 2002*
  - *Rose & Rose Auction Co.: 1992 – 1996*
  - *Aon Benfield Reinsurance: 2006 - 2010*
  - *Cargill Cotton: 2010 – 2013*
  - *Risk Analytics: 2013 - Present*