

AORDA ISE30 Portfolio 2 (AORDA ISE2)

October 2011

AORDA_ISE2 seeks to achieve positive returns both in bear and bull markets, maintaining low correlation with the ISE market. Purely quantitative strategy based on Conditional Value-at-Risk optimization methodology. Investments with futures in ISE 30 Index (no options or individual stocks). Portfolio is rebalanced twice per day.

PARTICIPATION DETAILS

Investment Advisor	American Optimal Advisors, Inc.
Legal Form of Participation	Managed Accounts
Management Fees	2%
Performance Fees	20% High-Water Mark
Minimum Investment	200,000 USD
Lockup Period	Not Applicable
Redemption	Anytime
Geographical Diversification	ISE Equity Index
Currency	USD
Investment Manager	Stan Uryasev, PhD

STATISTICS for 5.67 years (simulated* Jan 2006 – Aug 2011)

STATISTIC	AORDA_ISE2	ISE30
Annualized Return	87.40%	5.71%
Standard Deviation (annualized)	33.29%	35.27%
Max Drawdown (mthly basis)	-19.26%	-56.9%
Sharpe Ratio (mthly SD, 0% RF)	2.09	0.33
Sortino Ratio (0% RF)	5.69	0.53
Largest Mthly Gain	36.35%	34.53%
Largest Mthly Loss	-15.12%	-19.57%
Alpha (annualized)	70.78%	0.00%
Correlation with ISE30	-11.10%	100.00%

PORTFOLIO COMPOSITION

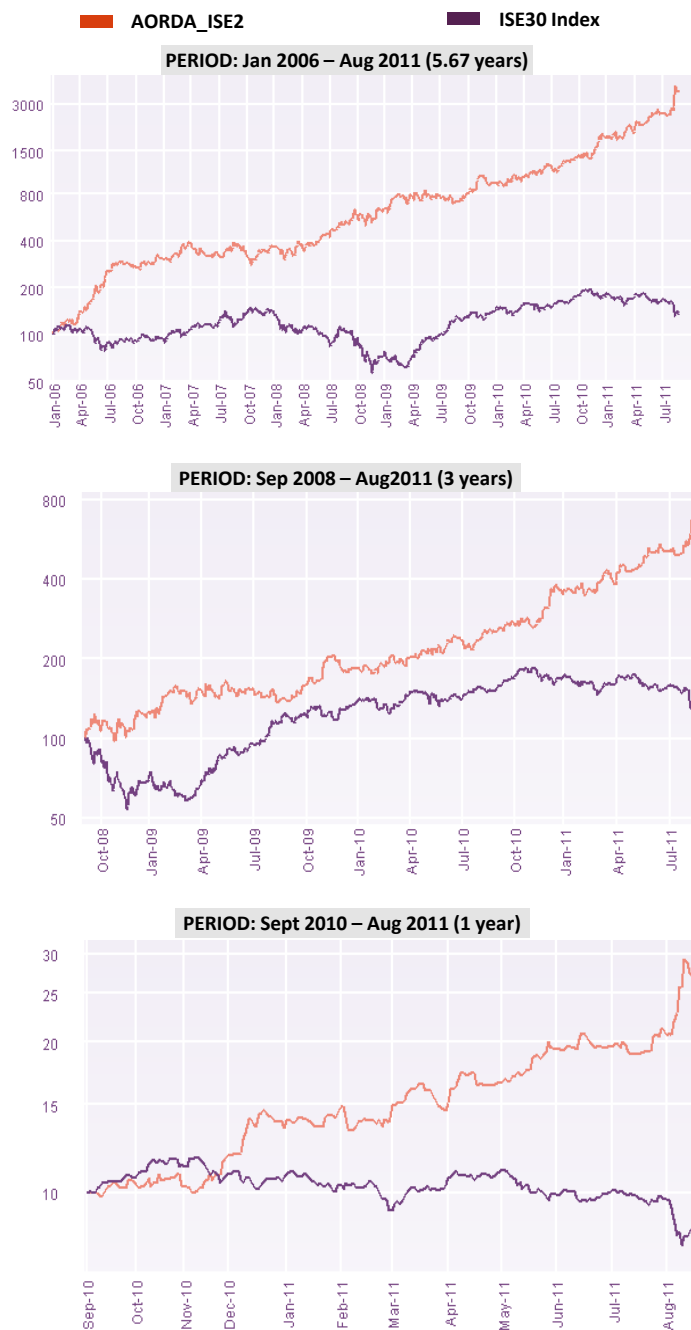
Up to 100% of capital with leverage 2 in ISE30 index, remaining capital invested in cash. Positions are in Futures on ISE30 Index.

MANAGED ACCOUNTS

To participate in AORDA's Portfolios, an investor must open an account at Interactive Brokers.

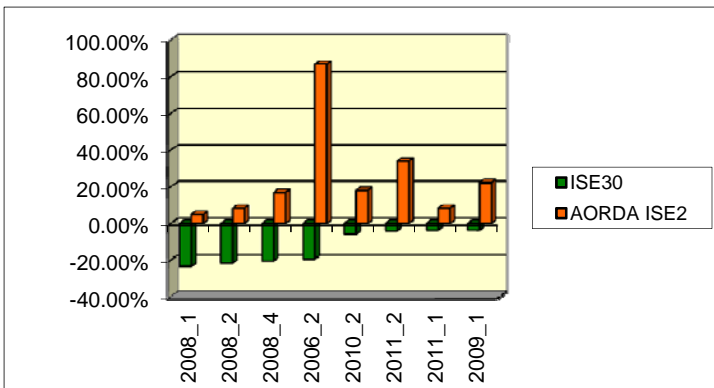
* AORDA_ISE2 is simulated assuming no transaction costs and no bid-ask spread.

GROWTH OF \$100 INVESTMENT (Simulated* Performance)



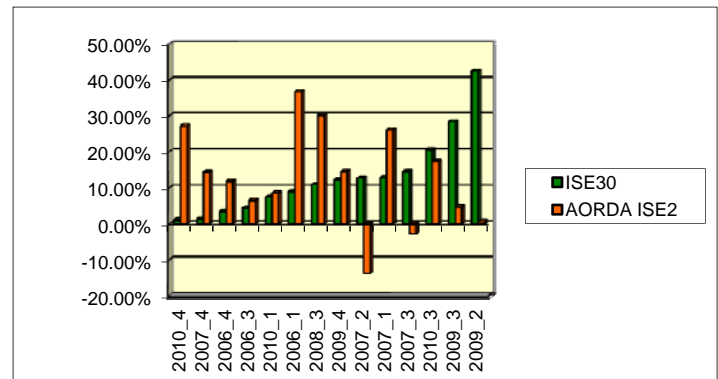
DISCLAIMER: Past performance is no guarantee of future results. This document is not an investment advice, an offer to sell, or a solicitation to buy. Investment decisions should not be based solely on charts and graphs presented on this page as they provide only limited information.

Negative quarters of ISE30 Index vs. AORDA_IS2
 Jan 2006 – Jun 2011



Avg. Quarterly Returns: AORDA_ISE2 = 24.89%, ISE30 = -12.80%

Positive quarters of ISE30 Index vs. AORDA_IS2
 Jan 2006 – Jun 2011



Avg. Quarterly Returns: AORDA_ISE2 = 13.01%, ISE30 = 12.93%

MONTHLY RETURNS (%)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2006	AORDA_ISE2	13.19	5.81	14.13	12.40	21.91	36.35	12.50	-1.39	-3.98	8.99	-3.33	6.14	204.20
	ISE30	11.69	4.05	-6.29	-0.32	-13.33	-6.80	0.42	5.08	-1.12	9.82	-7.06	1.38	-5.31
2007	AORDA_ISE2	3.47	5.26	15.76	-14.95	-2.00	3.56	5.98	8.06	-15.12	-3.78	12.65	5.51	20.99
	ISE30	9.58	-6.65	10.28	3.92	5.61	2.65	6.97	-2.19	9.41	7.13	-5.85	0.47	47.45
2008	AORDA_ISE2	-12.39	-0.02	19.89	-1.19	6.10	3.18	24.44	-2.19	6.95	-1.43	2.24	15.95	72.81
	ISE30	-19.57	-3.66	-1.30	4.70	-8.14	-18.59	34.53	-8.72	-9.66	-19.10	-13.12	13.25	-47.12
2009	AORDA_ISE2	15.13	5.38	0.71	-6.41	6.45	1.05	-2.16	-7.21	15.23	15.40	5.31	-5.81	47.31
	ISE30	-7.16	-7.19	11.72	24.01	11.60	2.98	21.46	4.20	1.46	-0.04	-3.08	15.80	97.65
2010	AORDA_ISE2	-4.93	17.06	-2.44	5.75	-0.36	11.98	0.34	9.00	7.35	-2.65	12.93	15.74	91.36
	ISE30	2.97	-9.10	14.74	0.17	-6.35	0.44	12.76	-0.20	7.07	6.47	-5.11	0.00	23.19
2011	AORDA_ISE2	6.84	-4.15	5.70	13.16	17.48	0.67	8.65	24.50					95.93
	ISE30	-4.40	-10.42	12.37	6.12	-9.67	0.17	-2.55	-15.39					-23.82

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