

# SafeMoneyMetrics™

Your Direct Risk Management Solution for Managed Futures

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#51 How to Benefit From Using

<http://www.cta-reports.safemoneymetrics.com>

## Summary:

SafeMoneyMetrics™ (SMM™) Risk Management services evolved from principles successfully used in hedging for over 150 years. SMM™ reduces and sometimes prevents ill-fated loss and excessive capital waste caused by uninformed decisions. Investors can make higher quality choices because SMM™ reveals risk and other pertinent information that would otherwise remain concealed.

Integrating SafeMoneyMetrics™ into any traditional analytical process allows higher quality decisions to flow from a base of information that would otherwise be non-existent.

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## Do What You Are Already Doing AND

To discard SafeMoneyMetrics™ without understanding its' potential benefits is foolish. To avail ourselves, of a composite risk management process that can improve our experience is wise.

CTA-Reports by SafeMoneyMetrics™ is a free service. It gives investors an easy method of getting comfortable with the SafeMoneyMetrics™ analytical process. When information revealed by SafeMoneyMetrics™ is integrated with traditional analysis, you have a risk management platform that remains unsurpassed by what traditional alone can offer.

Whereas the foundation of traditional analysis for managed futures evolved from the equity industry, SafeMoneyMetrics™ (SMM) evolved from basis analysis used in hedging futures. We "believe" (opinion) that aligning the evaluation process of an investment with the fundamental purpose of the markets being used in that investment is mandatory for managing high risk. A simple analogy would be to use a hammer and screw. The screw may eventually get into the wood however pay attention to results relative to results when using a screwdriver.

For Example: Evaluating price movements of a stock requires a process quite different from evaluating price movements of

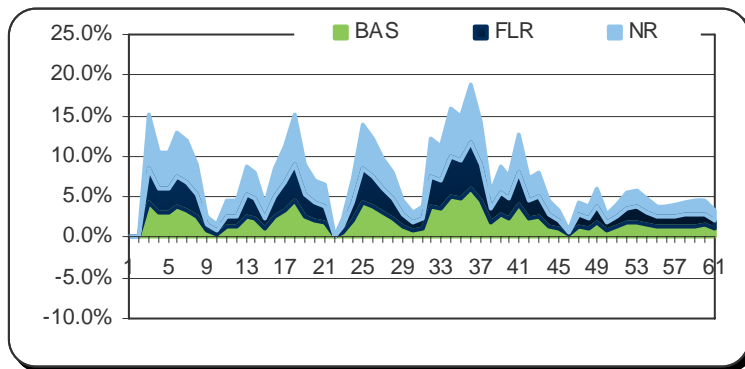
options or cash currencies. Evaluating price movements of the futures markets requires a process different from evaluating price movements of stocks. Evaluating trading talent in futures has little relationship to evaluating trading talent in equities, options, stocks, fixed income or currencies.

Evaluating *trading talent* in any investment sector requires a process distinct from any process used for evaluating *market movements*.

## A Few Benefit and Value Statements on Behalf of CTA-Reports

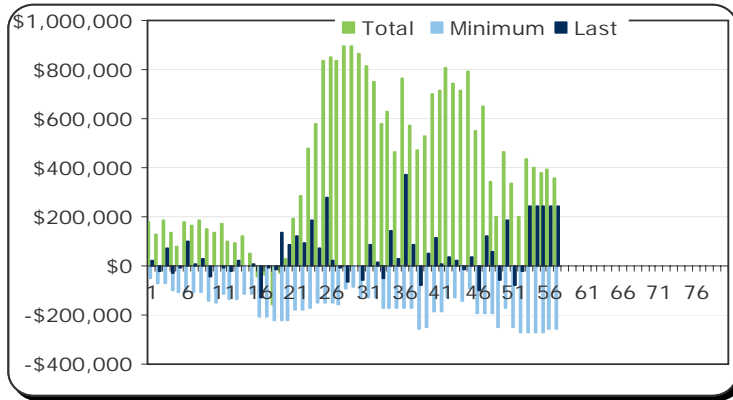
Because SMM™ evolved from basis analysis it provides a direct approach for appraising managed futures investments. The information provided allows you to:

**Benefit:** Evaluate potential returns at three capital account values. **Value:** You can identify actual capital used to produce returns relative to an advisors required account size and more accurately determine adequate account funding without excessive fear interfering with your decisions.



Above are the 3 month average returns for the Billing Account, Funding Level and Net Ratio (Margin Account). The Net Ratio should be well above the funding level and further above the billing account return. Wide differences between net and funding level ratios indicate exceptional risk control at the maximum leverage allowed. Narrow differences between the funding level and billing account indicate an efficient strategy and probably "fair" billing of management fees.

**Benefit:** Evaluate profitability/volatility/loss trends over variable time frames. **Value:** Determine if profitability trends are being maintained consistently.



In lieu of annual returns, each bar in the chart represents a 12 month total profit or loss value. Minimum represents a composite loss within the same time frame. Last is the most recent single value within the time frame. Absolute right is the most recent data & has the most influence. **Important!** Watch trends in the green total profit bar relative to the light blue minimum (maximum loss) for the same time frame. If the light blue bar trend increases, even while the green profit trend increases (becomes more negative) or is stable, the investment has increased risk under current market conditions.

**Benefit:** Evaluate cost relative to return at three funding levels. **Value:** Accurately evaluate cost relative to capital used and return, rather than inaccurately evaluating costs relative to account size.

9. Billing Account		Funding Level		Margin Account ( NR)	
<b>BAStart:</b>	\$50,000	<b>FLStart:</b>	\$50,000	<b>MgnStart:</b>	\$31,500
<b>BALast:</b>	\$195,462	<b>FLLast:</b>	\$195,462	<b>MgnLast:</b>	\$176,962
<b>MgnBA:</b>	63.0%	<b>MgnFL:</b>	63.0%	<b>Mgn:</b>	100%
<b>An.CostBA:</b>	3.0%	<b>AnCost/FL:</b>	3.0%	<b>An.Cost/Mgn:</b>	4.8%
<b>Total Cost:</b>	15.25%	<b>Total Cost:</b>	15.25%	<b>TotalCost:</b>	24.21%
<b>BA-Return:</b>	<b>290.9%</b>	<b>FL-Return:</b>	<b>290.9%</b>	<b>Mgn-Return:</b>	<b>461.8%</b>

Above three funding levels are displayed. The billing account size, (minimum account), funding level and margin account sizes. Presented is the beginning balance and latest account value, margin to equity, annual and total cost relative to return for the total time being analyzed. Use the minimum funding level account size as a reasonable value for prudent analysis.

## Why SafeMoneyMetrics™ ?

The positive potential of high leverage is optimized when information revealed by SafeMoneyMetrics™ is integrated into any other analytical process. Ill-fated losses and excessive capital waste caused by uninformed decisions can be reduced and sometimes prevented.

Open your mind and allow SafeMoneyMetrics™ to reveal the possibility of “higher quality” managed futures investments. Detailed explanations are at the end of every report.

Start with <http://cta-reports.safemoneymetrics.com>

"Under all circumstances, do that which you believe to be right and trust the law. Trust the divine power that is immanent in the Universe. It will never desert you and you will always be protected. Maintain integrity generosity & love; for those coupled with energy will lift you to a truly prosperous state." James Allen

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### Always Room for Improvement\*\*\*

We appreciate your time sending constructive suggestions for change.

1. What do you want more of?
2. What do you want less of (except God and philosophy)?
3. What needs more clarification?

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