

CRESCENT BAY

CAPITAL MANAGEMENT, INC.

Balanced Volatility Program (BVP)

	BVP	vs. S&P 500
Month of December Return	+2.43%	+1.02%
Average Annual Return	+11.20%	+1.00%
Return Since Inception*	+50.50%	-4.30%

* August 2007 - December 2011

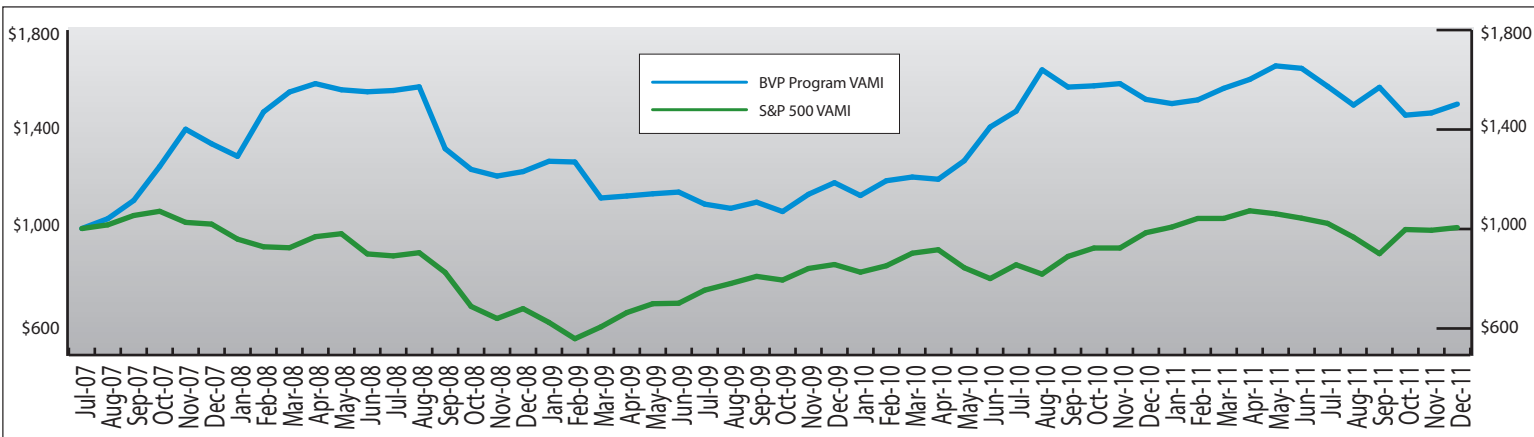
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. Worst peak to valley drawdown of 32.69% (Apr 2008 – Oct 2009).

Average Annual Return = Cumulative gains and losses divided by the number of years of an investment's life, with compounding taken into account.

More about our Managed Futures program...

It is well documented that the strategy of "selling premium" (short options) is profitable in "quiet" or low volatility markets. However, when volatility increases sharply, many months (or even years!) of profit can be lost if risk is not properly managed. **The Balanced Volatility Program ("BVP") was developed as an alternative to "naked" option selling programs.** A primary objective of the program is to offset volatility risks which are inherent in short option or "premium selling" programs, while still offering the benefits of an absolute return strategy.

Trading in futures and options is speculative and not suitable for all investors. Substantial losses can be incurred. Before investing in the BVP, one must review the most recent Disclosure Document of Crescent Bay Capital Management which contains a more thorough description of trading method and strategy.



VAMI reflects the growth of a hypothetical \$1,000 in a given investment over time. The value is equal to \$1,000 at inception. Subsequent month-end values are calculated by multiplying the previous month's VAMI index by 1 plus the current month rate of return. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Return %
2011	(1.17)	1.01	3.08	2.30	3.47	(.63)	(4.40)	(4.87)	4.85	(7.21)	.63	2.43	(1.29%)
2010	(4.40)	5.25	1.24	(.75)	6.25	10.78	4.55	11.39	(4.30)	.36	.53	(3.98)	28.49%
2009	3.35	(.24)	(11.46)	.68	.81	.63	(4.29)	(1.57)	2.39	(3.45)	6.48	4.21	(3.65%)
2008	(3.80)	13.90	5.50	2.20	(1.63)	(.47)	.31	.96	(15.96)	(6.29)	(2.18)	1.49	(8.41%)
2007	-	-	-	-	-	-	-	4.00	7.10	12.40	12.10	(4.20)	34.45%

More about Crescent Bay Capital Management...

Crescent Bay Capital Management, Inc. (CBCM) is an alternative investment trading firm, specializing in managed futures. Founded in 2003, CBCM is registered with the NFA and CFTC as a Commodity Trading Advisor ("CTA"). Our investment programs offer returns which are not correlated to the major stock indices; therefore, it is possible to be profitable in a wide range of market environments. Trading in futures and options is speculative and not suitable for all investors. Substantial losses can be incurred.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. INVESTORS MUST READ THE CURRENT DISCLOSURE DOCUMENT BEFORE THEY INVEST. THE RISK OF LOSS INHERENT IN AN OPTIONS WRITING PROGRAM IS SUBSTANTIAL AND IS NOT SUITABLE FOR EVERYONE. AN INVESTOR COULD POTENTIALLY LOSE MORE THAN THE INITIAL INVESTMENT. THERE IS NO GUARANTEE OF PROFIT NO MATTER WHO IS MANAGING YOUR MONEY.

A COMPLETE DISCUSSION OF FEES AND CHARGES ARE REPORTED IN THE CTA'S DISCLOSURE DOCUMENT. SPECIFICALLY, ONE SHOULD RECOGNIZE THAT AN INTRODUCING BROKER MAY CHARGE A FRONT-END START UP FEE OF UP TO 6% OF THE INITIAL CONTRIBUTION. PLEASE NOTE THAT THIS CHARGE IS NOT REFLECTED IN THE PERFORMANCE OF THE COMMODITY TRADING ADVISOR AND COULD HAVE A SIGNIFICANT IMPACT ON THE CUSTOMERS ABILITY TO ACHIEVE SIMILAR RETURNS.