RCM Alternatives

25 Questions Every Investor Should Know About

M6 Capital Mgmt

Standard Program

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The M6 Capital Management Standard Program is a fundamental, discretionary program focusing on agricultural markets. The M6 Capital Management investment approach is to identify supply and demand scenarios that suggest a significant change in price. The objective is to deliver consistent, positive returns while limiting downside risk. For trade timing, M6 utilizes market behavior, market psychology, and seasonal tendencies along with technical analysis.

1.) What is the name of the program/programs and who are the listed Principals?

M6 Capital Management Standard Program
Chris Myers is the Principal

2.) Can you provide us with some details of your corporate background?

M6 Capital Management, LLC was formed in 2005 by Chris Myers. Myers serves the company as the sole owner and managing member as well as being the only authorized trader for the firm. M6 is a Commodity Trading Advisor (CTA) registered with the National Futures Association (NFA).

3.) Who are the Principals with trading authority?

Chris Myers

4.) Can you provide details on the principal and/or manager's education, career and trading background?

Chris Myers was raised on a 2000+ acre farm in the Mississippi Delta. The farm had row crops, a cow-calf herd, and an aquaculture operation.

Chris received a BS and a Master's of Agri-Business Management degree from Mississippi State University. In 1995, Chris began working in Memphis, TN for Sparks Companies, one of the premier agricultural research and market analysis firms in the world. While at Sparks, Mr. Myers traveled throughout the US and South America estimating crop production, then later conducting commodity analysis in several commodities areas. In January of 2001, Mr. Myers accepted a position working directly for Dr. Willard Sparks at Cattlco, Inc., the nation's 7th largest cattle feeding operation. Mr. Myers' principal responsibilities were to conduct grain and livestock research and to develop and implement trading strategies. In May of 2005, Mr. Myers registered M6 Capital Management, LLC as a CTA and began trading customer funds in July 2005. Mr. Myers has been registered with the NFA since 2001.

5.) Which firm calculates your performance numbers?

Liccar

6.) What is the minimum investment for your program?

$300K

7.) Do you accept notional funding?

Yes

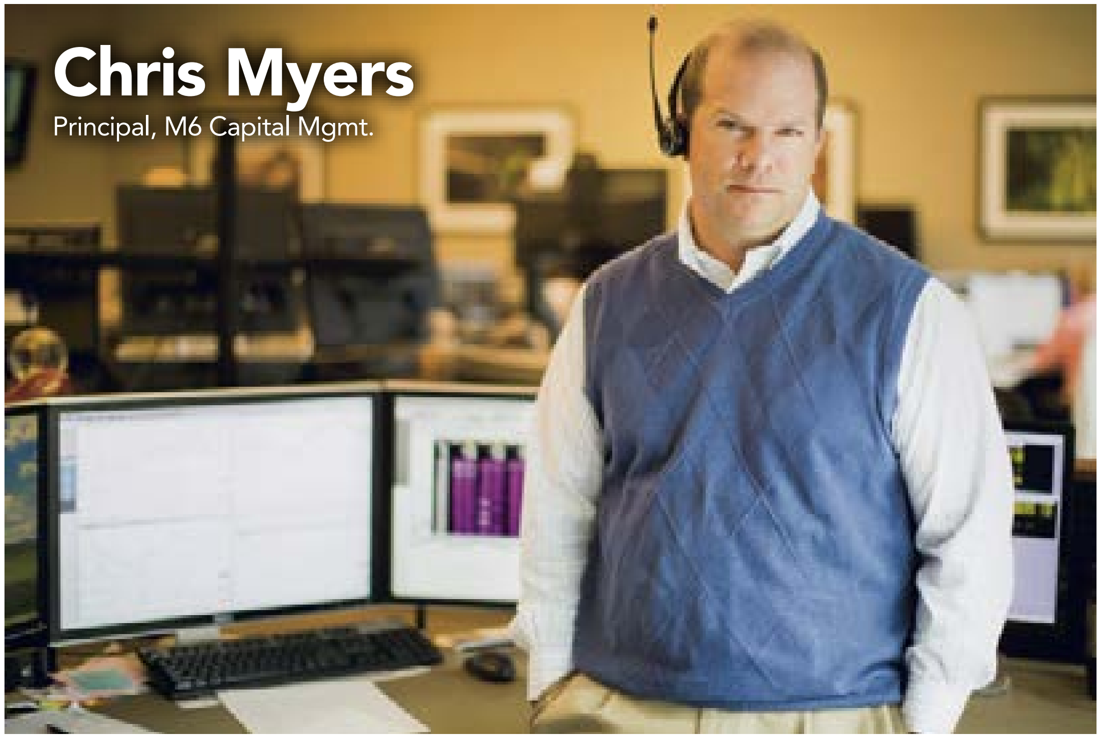
8.) What is your management and incentive fee structure?

1/20

9.) What is your program's capacity?

$400,000,000

10.) When did you start trading this program?



July 2005

11.) What type of accounts do you manage?

Managed Accounts

12.) Can you give a brief description of your program?

The M6 Capital Management Standard program is a fundamental, discretionary program that focuses on agricultural markets. Our investment approach is to identify supply and demand scenarios that suggest a significant change in price. We strive to deliver consistent, positive returns while limiting downside risk. To determine trade timing, M6 utilized market behavior, market psychology, and seasonal tendencies, as well as technical analysis.

Controlling risk is extremely important to us. Only trades with an expected risk/reward of 1:3 are placed. In many cases, the ratio is higher. Capital is invested only in markets with the greatest upside potential. The M6 Capital Standard Program is low leveraged with an average margin-to-equity ratio below 3%.

13.) Do you have a systematic or discretionary approach to the market?

Standard Program is a fundamental, discretionary program focusing on agricultural markets. Mr. Myers strives to identify supply/demand scenarios that suggest a significant change in price.

For trade timing, program utilizes technical analysis, along with market behavior, market psychology, and seasonal tendencies. Program is low leveraged, typically < 12% margin-to-equity, and averages below 3% margin-to-equity. Trades are entered only when expected risk/reward ratio is at least 1:3, preferably higher. Majority of trades are spreads, especially in livestock. Positions are constantly monitored and reevaluated along with the key fundamental variables associated with each trade.

Each trade is considered independent of other trades. Mr. Myers takes great precautions to minimize risk such as: limiting the number of trades at one time, equity stop limits per trade, lowering trade size with higher volatility, no correlated markets, along with other methods.

14.) What is the average holding period for each trade?

8-12 days.

15.) Do you trade options within your program? If yes, please describe the types of options traded and how options risk is monitored.

- Traded mostly as directional positions
- Naked are not used
- Delta positions to figure futures equivalent
- Options Implied Volatility computations

16.) Are there any liquidity constraints in the markets you trade?

At a $400 million capacity target and using our current position sizing methodology, we will never reach exchange position limits.

17.) In what types of market environments does your trading program do well and/or struggle?

Our Standard Program performs best when supply/demand fundamentals are driving price changes.

18.) What is the standard range of margin-to-equity usage for the program and how long do you hold the average trade?

Historical Margin-to-Equity is less than 3%. Lowest is 0; highest is 15%. Average trade hold time is 10 days.

19.) How do you manage risk/reward and what metrics are employed?

Great effort is taken to minimize risk. Only trades where perceived risk/reward is at least 1:3 are entered. Position size is determined by account equity and market volatility. Very seldom does firm risk over 2% of equity on any single trade.

Firm utilizes various stops: price stops, equity stops, volatlilty stops, time stops. If a profitable trade turns into a losing trade, exit position. Firm does not trade highly correlated positions. If for any reason confidence in trading erodes, market exposure is reduced.

20.) What are the optimal market conditions for your strategy?

Works best in markets driven by underlying fundamentals. Does not work as well when markets follow outside factors (such as stock market).

21.) Describe your worst drawdown to date, how did it happen and what actions have been taken (if any) to prevent similar drawdowns?

Feb 2008 -10.8%, wheat market was in strong rally, several FCMs that cleared locals demanded full value of contract as margin. Locals exited trades in mass, we were bear spread as were locals and spreads moved against us huge in 1 day. Since then, we steer clear of overly crowded trades or ideas.

22.) What are your investment goals?

- 8-12% annual returns
- Low volatility
- Low Margin-to-Equity
- Strict Risk Management
- Appropriate risk/reward

23.) What makes your program unique and different from other managers in your sector?

Risk/reward tolerances, trading unit size determined in part by market volatility, patience to wait for acceptable trades

24.) Do you feel you have an edge if so what is it?

Mr. Myers' background in grains and livestock, along with his extensive analysis, and risk/reward tolerances.

25.) What is the one piece of advice that you would give to a new start-up CTA?

Have a solid understanding and approach to risk management and do not deviate from that approach.

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Any specific investment or investment service contained or referred to in this report may not be suitable for all investors. You should not rely on any of the information as a substitute for the exercise of your own skill and judgment in making such a decision on the appropriateness of such investments. Finally, the ability to withstand losses and to adhere to a particular trading program in spite of trading losses are material points which can adversely affect investor performance.

We recommend investors visit the Commodity Futures Trading Commission ("CFTC") website at the following address before trading: http://www.cftc.gov/cftc/cftcbeforetrade.htm Managed futures accounts can subject to substantial charges for management and advisory fees. The numbers within this website include all such fees, but it may be necessary for those accounts that are subject to these charges to make substantial trading profits in the future to avoid depletion or exhaustion of their assets.

Investors interested in investing with a managed futures program (excepting those programs which are offered exclusively to qualified eligible persons as that term is defined by CFTC regulation 4.7) will be required to receive and sign off on a disclosure document in compliance with certain CFTC rules The disclosure documents contains a complete description of the principal risk factors and each fee to be charged to your account by the CTA, as well as the composite performance of accounts under the CTA's management over at least the most recent five years. Investor interested in investing in any of the programs on this website are urged to carefully read these disclosure documents, including, but not limited to the performance information, before investing in any such programs.

Those investors who are qualified eligible persons as that term is defined by CFTC regulation 4.7 and interested in investing in a program exempt from having to provide a disclosure document and considered by the regulations to be sophisticated enough to understand the risks and be able to interpret the accuracy and completeness of any performance information on their own.

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RCM Alternatives

WHAT WE DO

We build diversified portfolios with clients looking to access the Alternative Investment space in a meaningful way. That's been our specialty for more than a decade, with our experienced team up to the challenge of finding unique investments to fit unique needs.

For Investors

Research & Educate

We believe education means more than just a glossy brochure showing how managed futures is non-correlated to the stock market. We believe it means ongoing analysis of what's happening now, not just what happened over the past decade; and we provide daily research and commentary via our popular 'Attain Alternatives' blog covering all things alternative investments, as well as periodic whitepapers digging deeper into topics, guest posts by fund managers, and more.

Scout Talent

You can think of us as talent scouts, helping investors scour the world of alternative investment opportunities in an effort to identify those with robust, consistent performance, sophisticated risk management processes, and well-developed operational infrastructure. This selection is done through our proprietary filtering algorithm before performing one-on-one meetings and "real-time due diligence" where we analyze daily trading.

Tailor Portfolios

Armed with a menu of talented managers, we then provide customized portfolio and strategy advice to better generate target returns and protect principal while meeting the diversification, return, and risk needs of investors ranging from high net worth individuals to pension funds. Clients invest in these portfolios by opening a brokerage account with us, where we earn a portion of the trade-by-trade costs and fees paid to the portfolio managers you enlist. There are never any add-on, portfolio-level fees for our services.

Make It Easier

We make the actual investment part, with the paperwork and funding and all the rest, as easy as possible. We do this by eschewing a 'one size fits all' approach in favor of a consultative approach where we work with clients to find solutions that work for them in terms of structuring the investment. These include vanilla individual futures accounts, to the creation of 'Funds of One' or direct access to managers. The choice of clearing firms considers the investor's requirements for credit rating, balance sheet, and more; while consideration is given to smart collateral options via T-Bills, Notes, Corp. Debt, & Stocks.

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