Shattering Illusions:

Which Alternatives Have *Actually* Delivered in Bull versus Bear Markets?

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Agenda

- Asymmetric Market Risks
- Return Enhancers vs. Diversifiers in Bull & Bear Markets
- The Impact of A Rise in Volatility
- Steben & Company's Diversifiers

John Dolfin
Chief Investment Officer

- Joined Steben in 2011
- Formerly Managing Director at SAFANAD, Inc. and Head of Macro & CTA Strategies at Merrill Lynch
- BA in Philosophy, Politics and Economics from the University of Oxford; MPhil in Economics from Yale University
- Chartered Financial Analyst®

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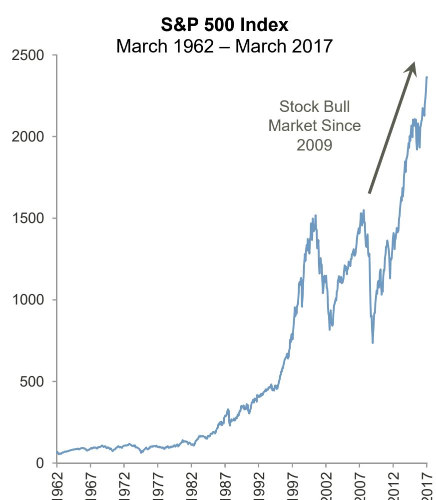
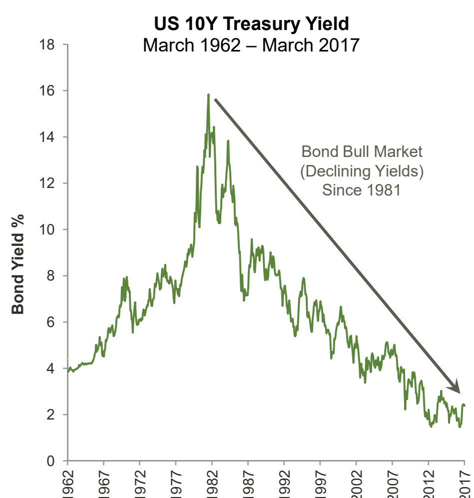
Asymmetric Market Risks

Bull Markets: Entering 9th Year for Stocks, 36th Year for Bonds





PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. DIVERSIFICATION DOES NOT ASSURE A PROFIT OR GUARANTEE A LOSS. Source: Bloomberg. See Glossary for definitions.

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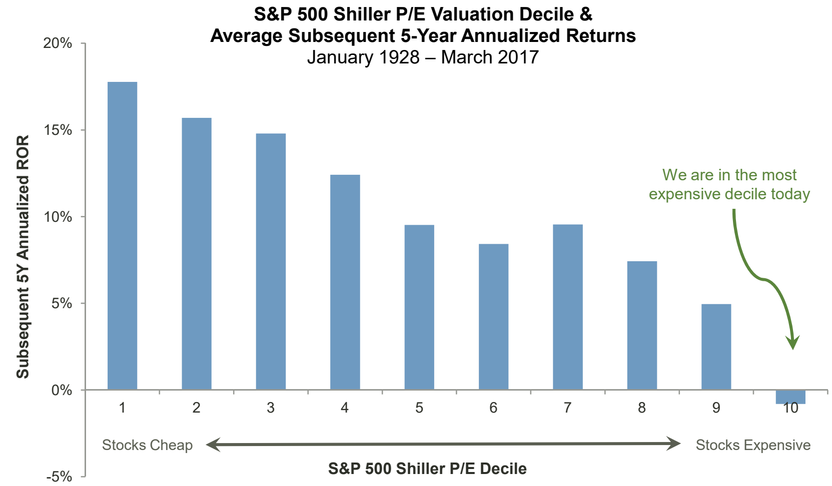
Should Equity Return Expectations Be Set at Zero?



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. DIVERSIFICATION DOES NOT ASSURE A PROFIT OR GUARANTEE A LOSS. Source: Yale University, Bloomberg. Each monthly date from 1928–2017 is assigned to an S&P 500 valuation decile based on the Shiller P/E ratio in that month compared to the historical range. For each decile, the average annualized return for a subsequent 5 year investment in the S&P 500 is then computed. See Glossary for definitions.

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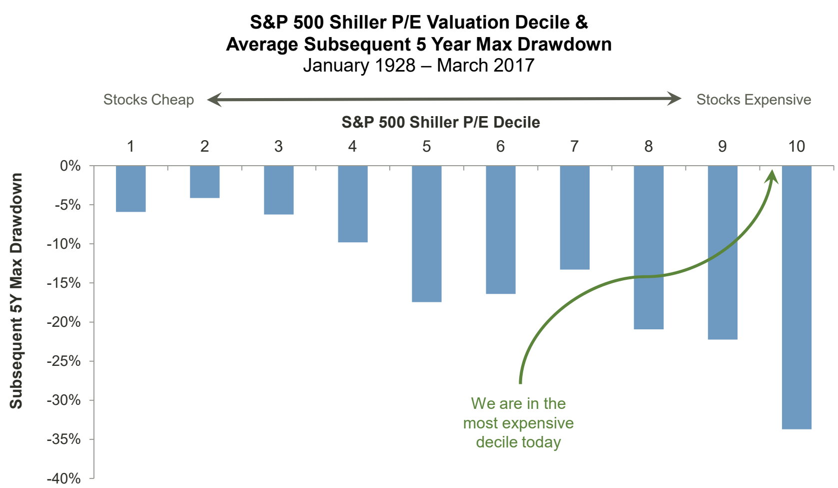
Higher Equity P/Es May Be Followed by Larger Drawdowns



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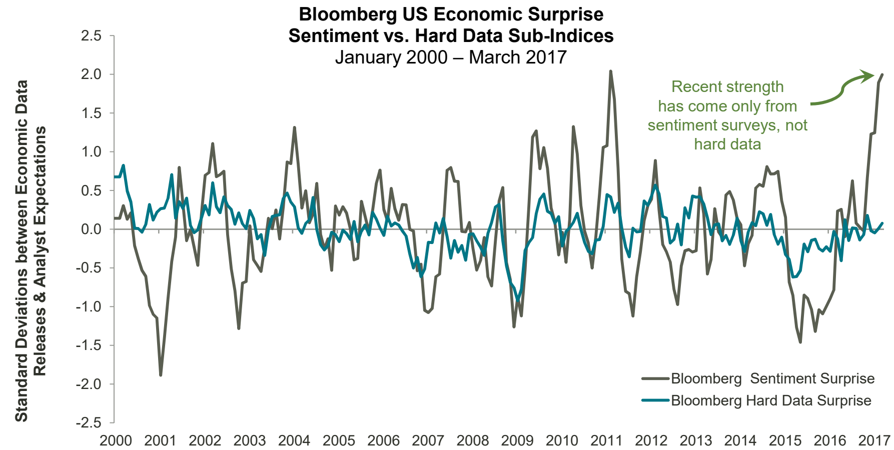
Recent Positive Economic News Led by Sentiment, Not Hard Data



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. DIVERSIFICATION DOES NOT ASSURE A PROFIT OR GUARANTEE A LOSS. Source: Bloomberg. The Bloomberg Economic Surprise Index shows the difference, in standard deviations, between analyst forecasts and the published value of economic data releases. The Bloomberg Economic Surprise Index includes the Sentiment Surprise Index and the Hard Data Surprise Index. The Sentiment Surprise measure uses the Surveys and Business Cycle Indicators sub-index. The Hard Data Surprise measure averages the sub-indices for the Industrial Sector, Housing and Real Estate Market, Labor Market, Personal/Household Sector and Retail & Wholesale Sector. See Glossary for definitions.

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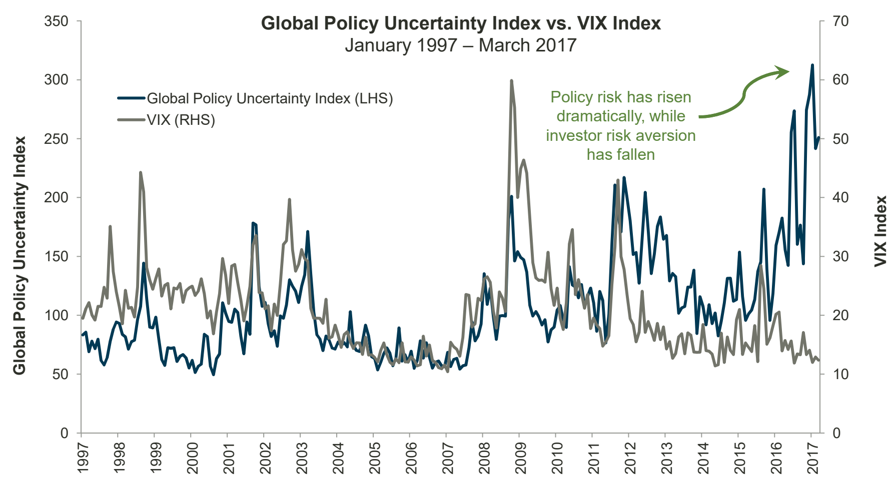
Stocks Not Reflecting Global Policy Risk



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. DIVERSIFICATION DOES NOT ASSURE A PROFIT OR GUARANTEE A LOSS. Source: Bloomberg. The Global Policy Uncertainty Index tracks news media keywords related to economic policy uncertainty in developed markets. The VIX Index is a market implied volatility measure for the S&P 500, reflecting the price investors are willing to pay to buy option insurance. See Glossary for definitions.

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Key Takeaways

- Asymmetric risks in extended stock and bond bull markets
- High valuations suggest long term stock performance may be flat from here, with risk of large drawdowns
- Positive economic data has been driven by sentiment, which can reverse if there is policy disappointment
- Market volatility and investor risk aversion are abnormally low given high levels of policy risk

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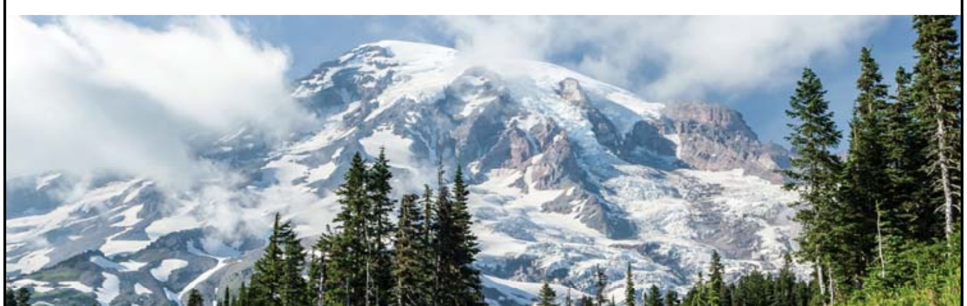
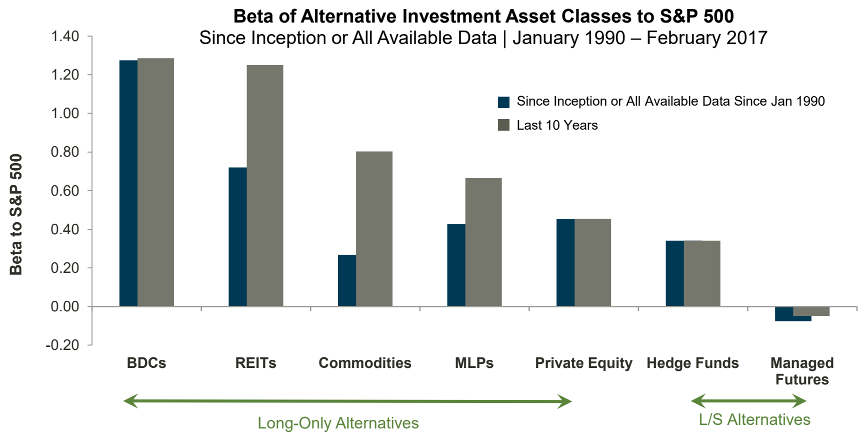
Return Enhancers vs. Diversifiers in Bull & Bear Markets



Long-Only Alts Have Risks Highly Correlated to Equities



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. DIVERSIFICATION DOES NOT ASSURE A PROFIT OR GUARANTEE A LOSS. Source: Bloomberg, Pertrac. Index returns are for illustrative purposes only and do not represent the performance of any fund. We use monthly data from January 1990 through February 2017, except where index commenced after January 1990 as noted below. BDCs are represented by the Wells Fargo BDC Index, which begins in October 2004. REITs are represented by the Dow Jones REIT Index, which begins in February 1990. Commodities are represented by the S&P GSCI® TR Index. MLPs are represented by the Alerian MLP Index, which begins in January 1996. Private Equity is represented by the Cambridge Associates US Private Equity Index, which is quarterly and ends in September 2016. Hedge Funds are represented by the HFRI Fund Weighted Composite. Managed Futures are represented by the Barclay Systematic Traders Index. See Glossary for detailed index information.

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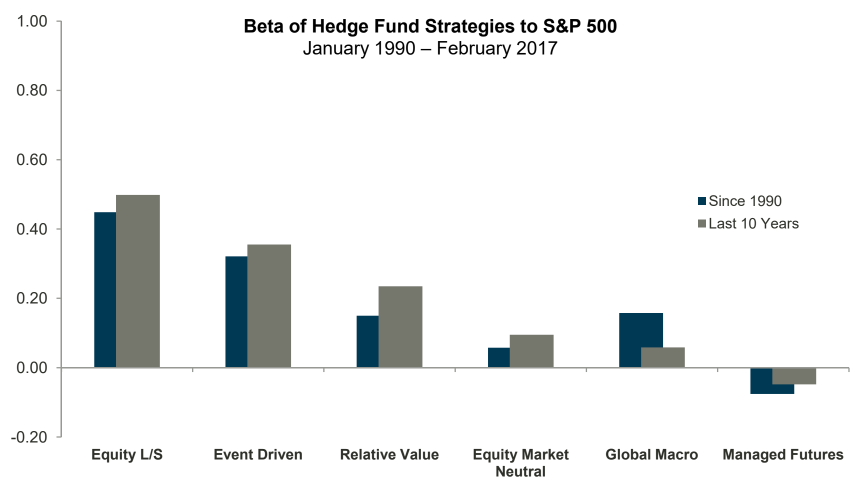
Hedge Funds Are Not Identical: Correlated Equity Risk Varies



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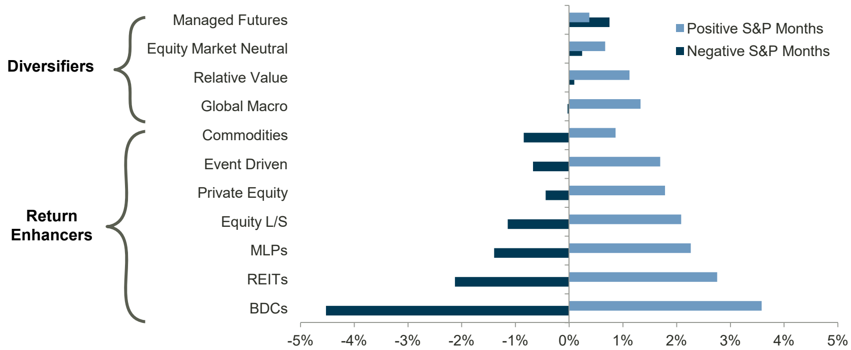
Return Enhancers vs. Diversifiers in Up/Down Equity Months

Average Performance in Positive / Negative S&P 500 Months
Since Inception or All Available Data January 1990 – February 2017



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. DIVERSIFICATION DOES NOT ASSURE A PROFIT OR GUARANTEE A LOSS. Source: Bloomberg, Pertrac. Index returns are for illustrative purposes only and do not represent the performance of any fund. We use monthly data from January 1990 through February 2017, except where index commenced after January 1990 as noted below. BDCs are represented by the Wells Fargo BDC Index, which begins in October 2004. REITs are represented by the Dow Jones REIT Index, which begins in February 1990. Commodities are represented by the Goldman Sachs Commodities Index. MLPs are represented by the Alerian MLP Index, which begins in January 1996. Private Equity is represented by the Cambridge Associates US Private Equity Index, which is quarterly and ends in September 2016. Equity L/S. Event Driven, Global Macro, Relative Value and Equity Market Neutral are represented by the respective HFRI Strategy Indices. Managed Futures are represented by the Barclay Systematic Traders Index. See Glossary for detailed index information.

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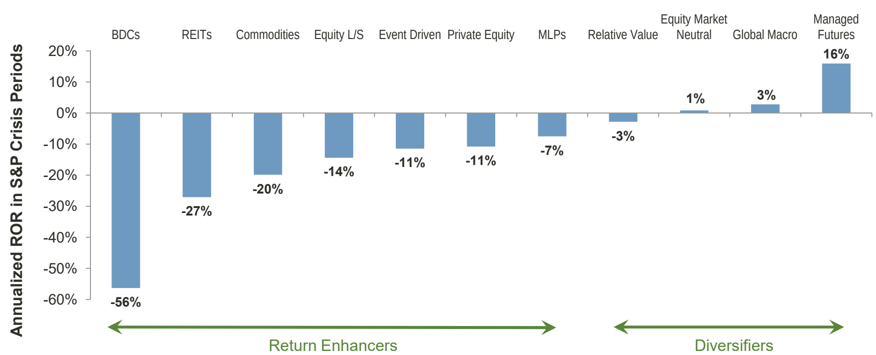
Performance During Equity Crises Stronger for Diversifiers

Annualized ROR in Periods When S&P 500 Falls More than 10%
Since Inception or All Available Data January 1990 – February 2017



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. DIVERSIFICATION DOES NOT ASSURE A PROFIT OR GUARANTEE A LOSS. Source: Bloomberg, Pertrac. Index returns are for illustrative purposes only and do not represent the performance of any fund. We use monthly data from January 1990 through February 2017, except where index commenced after January 1990 as noted below. S&P 500 Crisis Periods include Nov 2007 – Feb 2009, Sep 2000 – Sep 2002, May 2011 – Sep 2011, Jul 1998 – Aug 1998, Jan 1990 – Oct 1990, May 2010 – Jun 2010. BDCs are represented by the Wells Fargo BDC Index, which begins in October 2004. REITs are represented by the Dow Jones REIT Index, which begins in February 1990. Commodities are represented by the Goldman Sachs Commodities Index. MLPs are represented by the Alerian MLP Index, which begins in January 1996. Private Equity is represented by the Cambridge Associates US Private Equity Index, which is quarterly and ends in September 2016. Equity L/S. Event Driven, Global Macro, Relative Value and Equity Market Neutral are represented by the respective HFRI Strategy Indices. Managed Futures are represented by the Barclay Systematic Traders Index. See Glossary for detailed index information.

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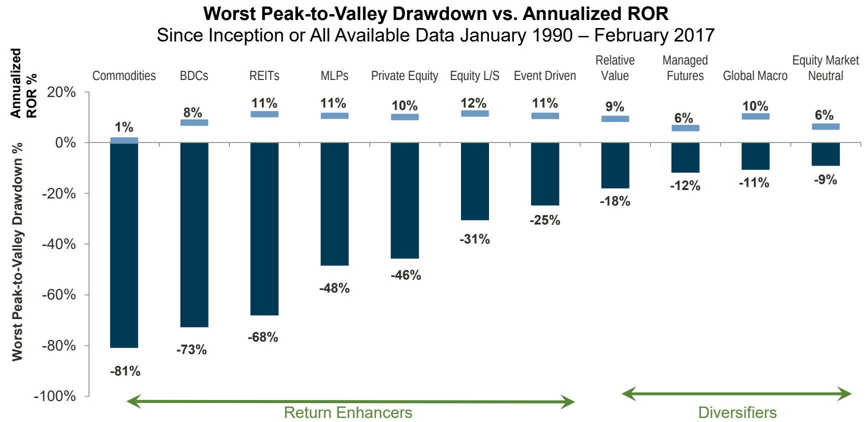
Return Enhancers Have Bigger Drawdowns than Diversifiers



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. DIVERSIFICATION DOES NOT ASSURE A PROFIT OR GUARANTEE A LOSS. Source: Bloomberg, Pertrac. Index returns are for illustrative purposes only and do not represent the performance of any fund. We use monthly data from January 1990 through February 2017, except where index commenced after January 1990 as noted below. BDCs are represented by the Wells Fargo BDC Index, which begins in October 2004. REITs are represented by the Dow Jones REIT Index, which begins in February 1990. Commodities are represented by the S&P 500 GSCI® TR Index. MLPs are represented by the Alerian MLP Index, which begins in January 1996. Private Equity is represented by the Cambridge Associates US Private Equity Index, which is quarterly and ends in September 2016. Equity L/S. Event Driven, Global Macro, Relative Value and Equity Market Neutral are represented by the respective HFRI Strategy Indices. Managed Futures are represented by the Barclay Systematic Traders Index. See Glossary for detailed index information.

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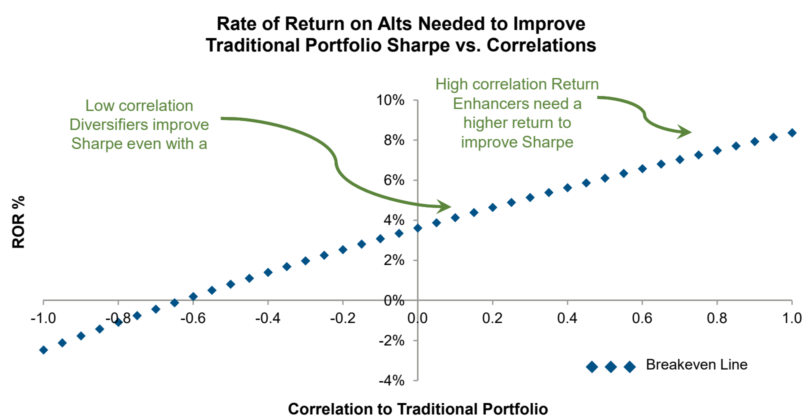
Modern Portfolio Theory

Low Correlation Diversifiers May Improve Portfolio Sharpe



NOTE: The analysis uses a traditional 60/40 stock and bond portfolio, consisting of the S&P 500 TR Index and the Barclays Aggregate Bond Index. Over the period Jan 1990 – Feb 2017, this traditional portfolio would have achieved an ROR of 8.4%, with a volatility of 9.0% and a Sharpe ratio of 0.60. We combine the traditional 60/40 portfolio with a hypothetical Alternative Investment with volatility of 8.9%, assigning 80% weight to the Traditional portfolio and 20% weight to the Alternative Investment. We compute the minimum ROR that the Alternative Investment would need to generate to improve the Sharpe ratio of the combined Traditional/Alternative portfolio (y-axis), under varying correlation assumptions between the Traditional portfolio and Alternative investment (x-axis). PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. DIVERSIFICATION DOES NOT ASSURE A PROFIT OR GUARANTEE A LOSS. Source: Bloomberg. See Glossary for definitions.

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Key Takeaways

- **Return Enhancers:** bull market performers, but high drawdown risk in bear markets. Higher return threshold before they improve portfolio Sharpe, due to high correlation
- **Diversifiers:** moderate gains in bull markets, often flat/positive in bear markets, with lower drawdown risk. Lower return threshold before they improve portfolio Sharpe, due to low correlation
- **Return Enhancer Examples:**
  - Long Only Alts: BDCs, REITs, MLPs, Private Equity, Commodities
  - L/S Strategies with Long-Bias: Equity L/S, Event Driven
- **Diversifier Examples:**
  - Balanced L/S strategies: Equity Market Neutral, Relative Value
  - Tactical L/S strategies: Managed Futures, Global Macro
  - Balanced Versions of Return Enhancer Strategies: Low Beta Managers within Equity L/S, Event Driven

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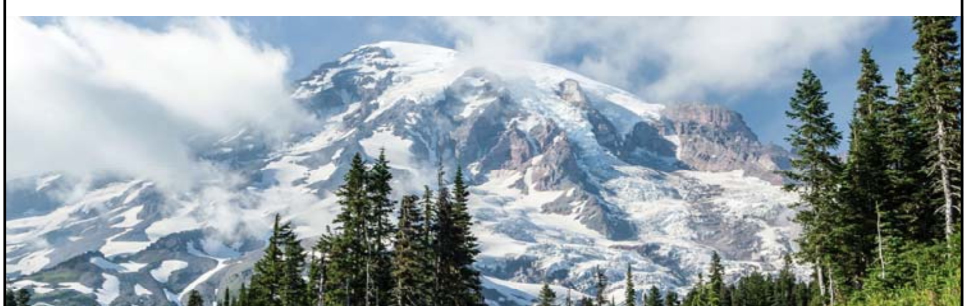
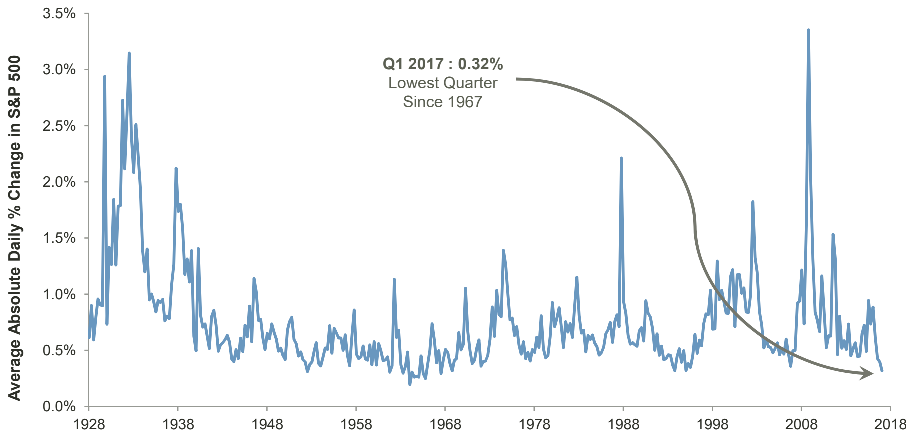


Is the Current Low Equity Volatility Sustainable?

Average Absolute Daily % Change in S&P 500
By Quarter | Q1 1928 – Q1 2017



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. DIVERSIFICATION DOES NOT ASSURE A PROFIT OR GUARANTEE A LOSS. We use daily S&P 500 data to calculate the average absolute daily percentage change for each quarter starting in Q1 1928. Source: Bloomberg. See Glossary for definitions.

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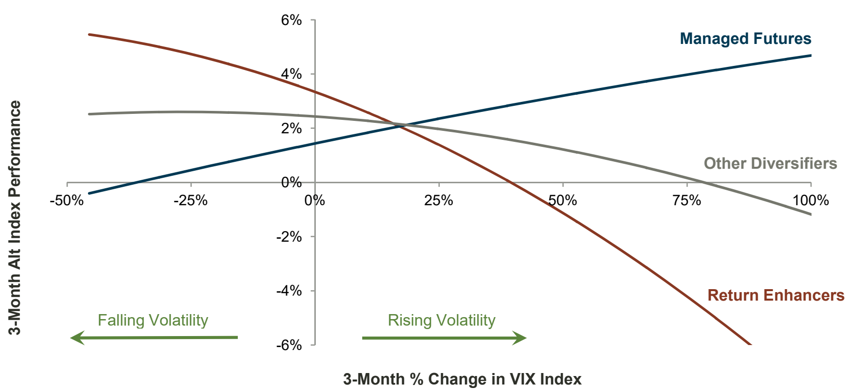
Which Alts Perform Best In Rising and Falling Volatility

3 Month Alt Index % ROR vs. VIX Index % Change: Line of Best Fit
All Available Data January 1990 – February 2017



Source: Bloomberg, Pertrac. This data represents past performance and is no guarantee of future results. Index returns are for illustrative purposes only and do not represent the performance of any fund. Using monthly data, we measure percentage changes in the VIX Index and coinciding returns for various Alternative Indices over rolling 3-month windows from Jan 1990 to Feb 2017. Managed Futures is represented by the Barclay Systematic Traders Index. Other Diversifiers are represented by an equally weighted average of the HFRI Relative Value, Equity Market Neutral and Macro Indices. Return Enhancers are represented by an equally weighted average of the Wells Fargo BDC Index, Dow Jones REIT Index, Alerian MLP Index, GSCI Index, Cambridge Associates US Private Equity Index, and HFRI Equity Hedge and Event Driven Indices. A 2nd-order polynomial line of best fit is used to represent the relationship between changing volatility and performance. See Glossary for definitions.

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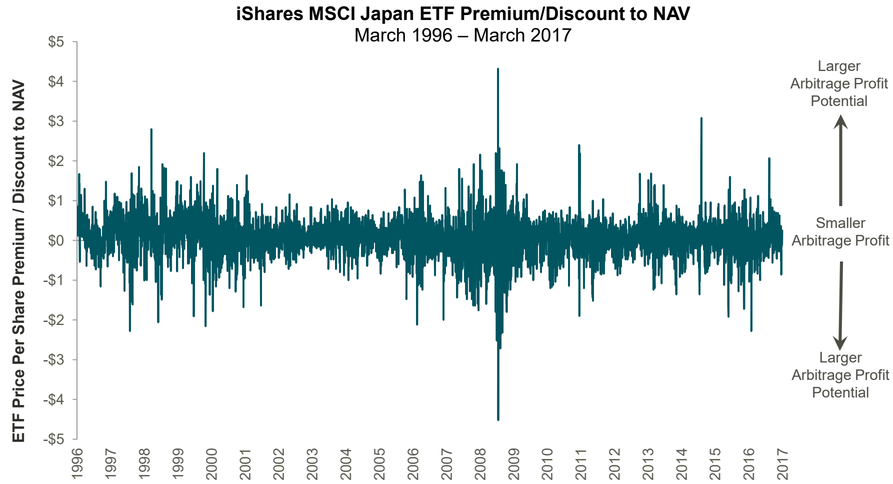
“Long Vol” Trading Strategy Example
Equity Market Neutral | ETF Arbitrage



Source: Bloomberg. This data represents past performance and is no guarantee of future results. Trade examples are for illustrative purposes only and do not necessarily reflect actual positions in manager portfolios.

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Key Takeaways

- In flat or falling equity market volatility environments, Return Enhancer strategies outperform Diversifiers
- However, volatility is at multi-decade lows today, so there may be an asymmetric probability of rising volatility in the future
- In rising volatility environments, Diversifiers (particularly Managed Futures) tend to outperform
- When constructing client portfolios, “long volatility” Diversifier strategies could balance “short volatility” risk from Return Enhancer strategies

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Steben Select Multi-Strategy Fund

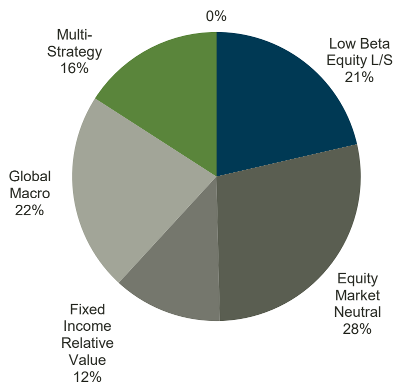
IMPORTANT DISCLOSURES & RISK CONSIDERATIONS Risks include the possible loss of principal. Steben Select Multi-Strategy Fund is part of a master-feeder structure and invests in a closed-end, non-diversified investment company with the same objectives and strategies (Master Fund), which in turn invests in hedge funds (Portfolio Funds). Fund investors will bear fees and expenses of the Fund, which includes the Fund's pro rata portion of the fees and expenses of the Master Fund and, indirectly, of the Portfolio Funds (including performance fees). ***An investment in the Fund is speculative. There is no guarantee that the Fund will achieve its investment objectives.*** Any investment should be viewed as part of an overall investment program and should only be made by investors willing to undertake the risk involved. **Diversification among multiple hedge funds does not assure profit or guarantee against a loss.** The Portfolio Funds may be highly leveraged, be highly illiquid and invest substantially in a particular market or sector. As a result, the Portfolio Funds (as well as the Fund) may be subject to greater risk and volatility than if investments had been made in the securities or derivatives of a broader range of issuers. The Fund's performance depends on the performance of the Portfolio Funds and the Investment Manager's ability to allocate Fund assets among Portfolio Funds. **The Fund's shares are not listed on any securities exchange, and it is not anticipated that a secondary market for shares will develop. The Fund cannot guarantee that investors will be able to effect repurchases of as many shares as they request**. *For other risks and investor concerns and suitability, please see Important Disclosures & Risks for Steben Select Multi-Strategy Fund.*

Foreside Fund Services, LLC, Distributor

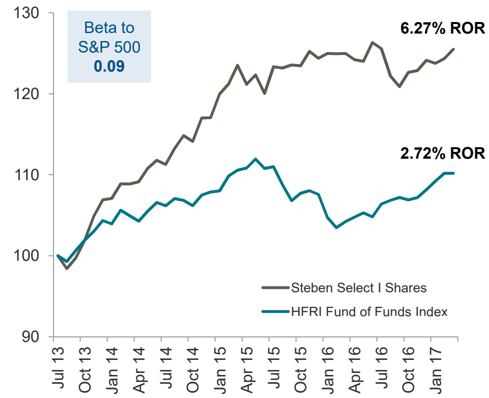
Multi-Strategy Diversifier, Registered Fund

Steben Select Multi-Strategy Fund

Strategy Mix
March 2017



Steben Select I Shares VAMI
August 2013 – March 2017



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. DIVERSIFICATION DOES NOT ASSURE A PROFIT OR GUARANTEE A LOSS. **Performance data quoted represents past performance and is no guarantee of future results.** Returns are estimated and are subject to change, pending final monthly accounting review. **Performance results prior to January 2, 2014 are those of the Steben Select Multi-Strategy Master Fund adjusted for fees and expenses of Select Fund I Shares.** More detailed information regarding performance calculations may be found in Important Disclosures & Risks for Steben Select Multi-Strategy Fund. Source: Steben & Company, Inc. HFR, Inc. Index returns are for illustrative purposes only and do not represent the performance of any fund. See Important Disclosures and Risks.

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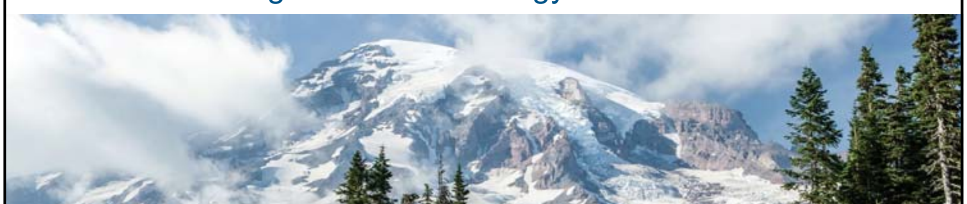
Steben Managed Futures Strategy Fund



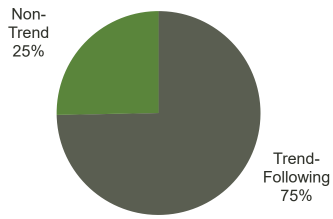
IMPORTANT DISCLOSURES & RISK CONSIDERATIONS Risks include the possible loss of principal. The Steben Managed Futures Strategy Fund is a non-diversified mutual fund that invests up to 25% of its assets in a Cayman Islands subsidiary. Changes in tax laws would likely decrease investment returns. ***An investment in the Fund is speculative. There is no guarantee that the Fund will achieve its investment objectives.*** Any investment should be viewed as part of an overall investment program and should only be made by investors willing to undertake the risk involved. **Diversification does not eliminate risk.** Investing in **commodity futures** subjects the Fund to greater volatility. **Foreign investments** involve risks not typically associated with US investments including fluctuations in foreign currency values, adverse social and economic developments, less liquidity, greater volatility, less developed or inefficient trading markets, political instability and differing auditing and legal standards. *For other risks including, but not limited to, derivative instruments, fixed income securities, leverage, below investment grade securities, controlled foreign corporation subsidiary and investments in investment pools, please see Important Disclosures & Risks for Steben Managed Futures Strategy Fund.*

Foreside Fund Services, LLC, Distributor

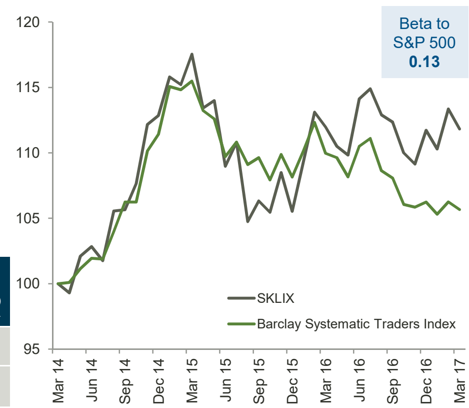
Managed Futures Diversifier, Mutual Fund

Steben Managed Futures Strategy Fund

Strategy Mix
March 2017



SKLIX VAMI
April 2014 – March 2017



Fund Performance | As of March 31, 2017

	QTD	1 Year	Since Inception (Annualized) April 1, 2014
Class I	0.10%	0.10%	3.79%
Barclay Systematic Traders Index*	-1.02%	-4.39%	1.69%

*PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. DIVERSIFICATION DOES NOT ASSURE A PROFIT OR GUARANTEE A LOSS. **Performance data quoted represents past performance and is no guarantee of future results.** Current performance may be lower or higher than the performance quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For the most recent month-end performance, please visit www.steben.com. As stated in the current prospectus, the Fund's annual operating expense ratio (gross) for Class I shares are 1.99%. Class I shares impose a 1.00% redemption fee on shares sold within 30 days, which is not reflected in the quoted returns. Source: Steben & Company, Inc., Pertrac. Index returns are for illustrative purposes only and do not represent the performance of any fund. See Important Disclosures and Risks. *Estimated for March 2017.*

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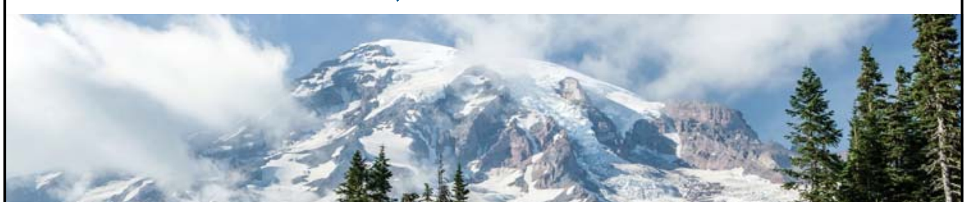
Steben & COMPANY

Futures Portfolio Fund, L.P.

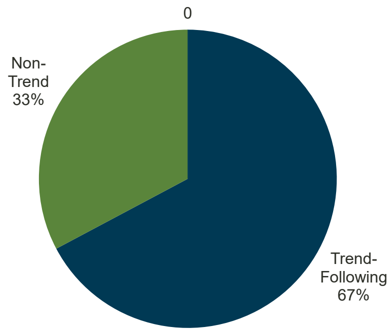


IMPORTANT DISCLOSURES & RISK CONSIDERATIONS Risks include the possible loss of principal. Futures Portfolio Fund is a privately offered managed futures fund. ***An investment in the Fund is speculative. There is no guarantee that the Fund will achieve its investment objectives.*** Any investment should be viewed as part of an overall investment program and should only be made by investors willing to undertake the risk involved. **Diversification does not eliminate risk.** Futures and forward trading is speculative and leveraged and can be volatile. Trading may occur on foreign exchanges which could mean higher risk. Currency forward transactions are not regulated and are subject to credit risk. The Fund limits the ability to liquidate investment units only on a monthly basis. There is no secondary market for Fund units. Fund units are not listed on any securities exchange. Fees and expenses are substantial and will offset the Fund's trading profits. Global price movements of futures and forwards trading are caused by many unpredictable factors, which may result in substantial fluctuations of the value of Fund units. *For other risks, please see Important Disclosures & Risks for Futures Portfolio Fund.*

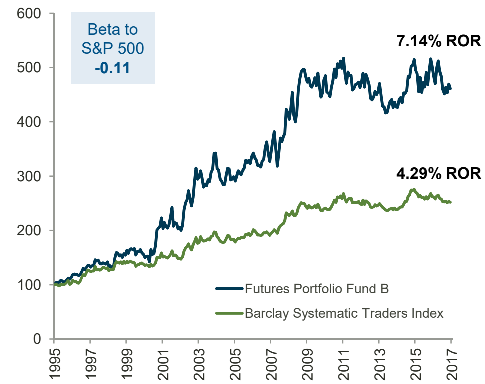
Managed Futures Diversifier, Private Fund

Futures Portfolio Fund, L.P.

Strategy Mix
March 2017



Futures Portfolio Fund B Units VAMI
May 1995 – March 2017



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Key Takeaways

- Asymmetric downside risks for equity markets given top decile valuations and historic levels of policy risk
- Equity volatility could rise from current multi-decade lows
- Return enhancing strategies such as long-only or long-biased alternatives have outperformed in the benign post-crisis environment
- Going forward low beta Diversifier strategies may be more additive to portfolio Sharpe ratios. These include Managed Futures, Global Macro, Equity Market Neutral, Fixed Income Relative Value and Low Beta Equity L/S

Steben & COMPANY

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Glossary of Terms

The indices described below are used in the graphs of this presentation. There are limitations in using financial indices for comparison purposes because the Funds may have different volatility, credit and other material characteristics. Generally, indices are unmanaged and are not available for direct investment.

Alerian MLP Index*: The leading gauge of energy Master Limited Partnerships (MLPs). The float-adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX). Inception 12/29/1995

MLP investments are subject to risks, including but not limited to Commodity Price risk, Interest Rate risk, and Legislative and Regulatory risk.

Performance Source: Bloomberg

Barclay Systematic Traders Index*: An equal weighted composite of managed futures programs whose approach is at least 95% systematic. In 2017 there are 409 systematic programs included in the index. The performance of the index is net of management and incentive fees from the individual trading managers. Inception: 1/1987

Managed futures investments are subject to risks, including illiquidity, lack of a secondary market, and the volatility of the underlying commodities or futures markets traded by a particular program.

Performance Source: BarclayHedge

Bloomberg US Economic Surprise Index*: Shows the percentage difference between analyst forecasts and the published value of economic data releases. The Sentiment Surprise measure uses the Surveys and Business Cycle Indicators sub-index. The Hard Data Surprise measure averages the sub-indices for the Industrial Sector, Housing and Real Estate Market, Labor Market, Personal/Household Sector and Retail & Wholesale Sector.

Performance Source: Bloomberg

Cambridge Associates US Private Equity Index*: The index and benchmark statistics are based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015. Inception 4/1/86

Private Equity investments are subject to risks, including but not limited to Funding Risk, Liquidity Risk, Market Risk, and Capital Risk.

Performance Source: Cambridge Associates LLC.

Dow Jones Equity REIT Total Return Index*: Comprised of REITs that directly own all or part of the properties in their portfolios. Inception 1/2/1990

REITs are subject to risks similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as interest rate changes and market recessions.

Performance Source: Bloomberg

Global Policy Uncertainty Index*: Tracks news media keywords related to economic policy uncertainty in developed markets.

Performance Source: Bloomberg

HEDGE FUND RESEARCH INC. (HFRI) INDICES

- **HFRI Equity Hedge (Total) Index*:** Equity L/S: Investment Managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50% exposure to, and may in some cases be entirely invested in, equities, both long and short. Inception 12/31/1989
- **HFRI EH-Equity Market Neutral Index*:** Equity Market Neutral strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. These can include both Factor-based and Statistical Arbitrage/Trading strategies. Factor-based investment strategies include strategies in which the investment thesis is predicated on the systematic analysis of common relationships between securities. In many but not all cases, portfolios are constructed to be neutral to one or multiple variables, such as broader equity markets in dollar or beta terms, and leverage is frequently employed to enhance the return profile of the positions identified. Statistical Arbitrage/Trading strategies consist of strategies in which the investment thesis is predicated on exploiting pricing anomalies which may occur as a function of expected mean reversion inherent in security prices; high frequency techniques may be employed and trading strategies may also be employed on the basis on technical analysis or opportunistically to exploit new information the investment manager believes has not been fully, completely or accurately discounted into current security prices. Equity Market Neutral Strategies typically maintain characteristic net equity market exposure no greater than 10% long or short.

*It is not possible to invest directly in an index.

Glossary of Terms (Continued)

- **HFRI Event-Driven***: Investment Managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event Driven exposure includes a combination of sensitivities to equity markets, credit markets and idiosyncratic, company specific developments. Investment theses are typically predicated on fundamental characteristics (as opposed to quantitative), with the realization of the thesis predicated on a specific development exogenous to the existing capital structure.
- **HFRI Fund of Funds Composite Index*:** Currently comprised of over 500 domestic and offshore funds of hedge funds that have a minimum of $50 million under management or a 12-month track record of active performance. All fund performance is equally weighted and is net of all fee returns on a monthly basis. The current month and the prior three months returns of the Index are estimates and are subject to change. All performance prior to that is locked and is no longer subject to change.
- **HFRI Fund Weighted Composite Index*:** The HFRI Fund Weighted Composite Index is a global, equal-weighted index of over 2,000 single-manager hedge funds that report to the HFR Database. Constituent funds report monthly performance net of all fees in US dollars and have a minimum of $50 million under management or a 12-month track record of active performance. The HFRI Fund Weighted Composite Index does not include funds of hedge funds. The current month and the prior three months returns of the Index are estimates and are subject to change. All performance prior to that is locked and is no longer subject to change.
- **HFRI Global (Total) Index*:** Global Macro: Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Although some strategies employ RV techniques, Macro strategies are distinct from RV strategies in that the primary investment thesis is predicated on predicted or future movements in the underlying instruments, rather than realization of a valuation discrepancy between securities. In a similar way, while both Macro and equity hedge managers may hold equity securities, the overriding investment thesis is predicated on the impact movements in underlying macroeconomic variables may have on security prices, as opposes to EH, in which the fundamental characteristics on the company are the most significant are integral to investment thesis.
- **HFRI Relative Value*:** Investment Managers who maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager. RV position may be involved in corporate transactions also, but as opposed to ED exposures, the investment thesis is predicated on realization of a pricing discrepancy between related securities, as opposed to the outcome of the corporate transaction.

HFRI Indices Inception: 1/1990

Performance Source: Hedge Fund Research, Inc.

Investments in hedge funds involve the risk of (i) loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices of hedge funds, (ii) lack of liquidity of their shares, (iii) volatility of returns, (iv) limited information regarding valuations and pricing, and (v) complex tax structures and delays in tax reporting. Hedge funds are generally subject to less regulation and higher fees than mutual funds.

*It is not possible to invest directly in an index.

Glossary of Terms (Continued)

iShares MSCI Japan ETF*: A type of exchange-traded fund that invests the majority of its assets in Japanese equities that trade on local stock exchanges. The performance of Japan ETFs does not correlate to the performance of the underlying index when measured in U.S. dollars, because the change in the exchange rate between the yen and the dollar must be taken into consideration. The performance of Japan ETFs is thus dependent on two things: the performance of the underlying equities and the effect of changing yen into dollars.

S&P GSCI® Total Return Index*: A composite index of commodity sector returns representing a broadly diversified, unleveraged, long-only investment in commodity futures. The returns are calculated on a fully collateralized basis with full reinvestment. Inception 1/1970

Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention.

Performance Source: Standard & Poor's

S&P 500 Total Return Index (TR)*: The 500 stocks in the S&P 500 are chosen by Standard and Poor's based on market size, industry representation, liquidity and stability. The stocks in the S&P 500 are not the 500 largest companies; rather the Index is designed to be a leading indicator of US equities and is meant to reflect the risk/return characteristics of the large cap universe. Inception 3/1957.

Performance Source: Standard & Poor's

US equity index investments are subject to risks, including price fluctuations in response to news on companies, industries, government policies and the general economic environment.

US 10 Year Treasury Note*: A debt obligation issued by the US government that matures in 10 years. 10-year Treasury notes pay a fixed rate of interest semi-annually and pay the principal or face value amount to the Note holder upon maturity.

Performance Source: Bloomberg

VIX Index*: A market implied volatility measure for the S&P 500, reflecting the price investors are willing to pay to buy option insurance.

Performance Source: Bloomberg

The Wells Fargo Business Development Company Index*: Intended to measure the performance of all Business Development Companies (BDC) listed on the New York Stock Exchange (NYSE AMEX) or NASDAQ that satisfied market capitalization and other eligibility requirements. This index is a total return index. The index was created to yield a benchmark value of 1,000.00 on September 30, 2004. Inception 9/30/04

Business Development Company investments are subject to risks, including but not limited to Portfolio company credit and investment risk, Leverage risk, Market and valuation risk, Price volatility and liquidity risk, Capital markets risk, Interest Rate risk, Dependence on key personnel, and Structural and Regulatory risk.

Performance Source: Bloomberg

*It is not possible to invest directly in an index.

Glossary of Terms

Alpha: A measure of risk-adjusted performance. A higher alpha indicates a security has performed better than expected with its given beta (or volatility.) See Beta.

Alternative Investment: An investment product other than traditional investments such as stocks, bonds, cash or property.

Beta: Measures a fund's sensitivity to market movements by comparing a fund's excess return (over a benchmark) to the market's excess return. By definition, the beta of the market is 1.00. For example, a beta that is lower than 1.00 would normally indicate that a fund's excess return is expected to be above the market's excess return in a down year and below in an up year. However, beta is a measure of historical volatility and cannot predict a fund's actual performance.

Correlation: A measure of the degree to which two variables relate to each other.

Equity Market Neutral: A hedge fund strategy that seeks to exploit differences in stock prices by being long and short in stocks within the same sector, industry, market capitalization, country, etc. This strategy creates a hedge against market factors.

Peak-to-Valley Drawdown: The peak-to-trough decline during a specific period of an investment, fund or commodity. A drawdown is usually quoted as the percentage between the peak and the trough.

Rate of Return (ROR): Profit on an investment. It comprises any change in value, and interest or dividends or other such cash flows, which the investor receives from the investment.

Real Estate Investment Trust (REIT): A security that sells like a stock on the major exchanges and invests in real estate directly, either through properties or mortgages. REITs receive special tax considerations and typically offer investors high yields, as well as a highly liquid method of investing in real estate. REITs are subject to risks similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as interest rate changes and market recessions.

Sharpe Ratio: A calculation meant to illustrate the amount of return one is achieving per unit of risk. It is derived by dividing the average annual return by the standard deviation of an investment. A higher number tends to signify a better return/risk relationship, whereas a lower number may be seen as unfavorable.

Shiller P/E Ratio: A valuation measure, generally applied to broad equity indices, that uses real per-share earnings over a 10-year period. The ratio uses smoothed real earnings to eliminate the fluctuations in net income caused by variations in profit margins over a typical business cycle. The ratio was popularized by Yale University professor Robert Shiller.

Standard Deviation: Measures the dispersal or uncertainty in a random variable (in this case, investment returns). It measures the degree of variation of returns around the mean (average) return. The higher the volatility of the investment returns, the higher the standard deviation will be.

Value Added Monthly Index (VAMI): An index that tracks the monthly performance of a hypothetical $1000 investment. The calculation for the current month's VAMI is: = Previous VAMI x (1 + Current Rate of Return)

Volatility: The relative rate at which the price of a security moves up and down.

Important Disclosures & Risks

Steben Select Multi-Strategy Fund

RISK CONSIDERATIONS Steben Select Multi-Strategy Fund is part of a master-feeder structure and invests in a closed-end, non-diversified investment company with the same objectives and strategies (Master Fund), which in turn invests in hedge funds (Portfolio Funds). Fund investors will bear asset-based fees and expenses of the Fund, which includes the Fund's pro rata portion of the fees and expenses of the Master Fund and, indirectly, of the Portfolio Funds. Those fees may include performance-based compensation of the underlying managers. **An investment in the Fund is speculative and there is no guarantee that the Fund will achieve its investment objectives.** An investment in the Fund should be viewed as part of an overall investment program and should only be made by investors willing to undertake the risks involved.

Investments in securities involve risk of the loss of capital. An investment in the Fund includes the risks inherent in an investment in securities, as well as specific risks associated with limited liquidity, restricted liquidity of certain investments, distressed securities and other high risk investments, foreign currency translation, long-biased strategies, sector specific risks, counterparty risk, convertibles, use of derivatives for hedging and non-hedging purposes, leverage/borrowing, purchases of initial public offerings, valuation, master-feeder structure, use of short selling, investment in "junk bonds", high portfolio turnover rate, conflicts of interest, options, futures, commodities, real assets and investment in non-US securities.

Both the Fund and the Master Fund are registered as investment companies with the Securities and Exchange Commission (SEC). However, the Portfolio Funds are not registered with the SEC. Although registered as investment companies, both the Fund and Master Fund have limited liquidity and do not provide daily net asset values.

The Portfolio Funds may be highly leveraged. A portfolio of hedge funds may increase the potential for losses and gains. One or more underlying managers may, from time to time, invest a substantial portion of the assets managed in a particular market or sector. As a result, the Portfolio Funds (as well as the Fund) may be subject to greater risk and volatility than if investments had been made in the securities or derivatives of a broader range of issuers. There can be no assurance that an underlying manager's strategy will be successful or that it will employ such strategies with respect to its entire portfolio.

The Portfolio Funds in which the Fund invests can be highly illiquid and may not be required to provide periodic pricing or valuation to investors. The overall performance of the Fund is dependent not only on the investment performance of individual managers, but also on the ability of the Fund's Investment Manager to effectively select and allocate the Fund's assets among such managers on an ongoing basis. The Fund may be less diversified and more subject to concentration risk than other funds of hedge funds. The value of the Fund's portfolio investments should be expected to fluctuate. **The Fund's shares are not listed on any securities exchange, and it is not anticipated that a secondary market for shares will develop. The Fund cannot guarantee that investors will be able to effect repurchases of as many shares as they request**. Steben & Company and the underlying portfolio fund managers may face conflicts of interest. Shares are offered pursuant to the terms of the prospectus and (i) are not FDIC-insured, (ii) are not deposits or other obligations of, or guaranteed by, any bank and (iii) involve investment risks, including possible loss of principal. Diversification among multiple hedge funds does not assure profit or guarantee against losses.

Foreside Fund Services, LLC, Distributor

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Important Disclosures & Risks

Steben Select Multi-Strategy Fund

PERFORMANCE DISCLOSURES Performance data presented herein is the historical performance data of Select Fund and the Master Fund. There can be no assurance that Select Fund and the Master Fund will achieve their objectives or avoid significant losses. Investment results will fluctuate so that an investor's shares, if repurchased in a tender offer, may be worth more or less than the original cost. Select Fund's shares are subject to legal restrictions on transfer and resale and investors should not assume they will be able to resell their shares. The Fund however, intends to conduct quarterly share repurchases, subject to an early withdrawal fee of 2% within the first 9 months of an investor's subscription. Final and current performance may be higher or lower than the performance data quoted. Diversification does not assure a profit or protection against losses.

The Fund invests all of its investable assets in the Master Fund, except those restricted for regulatory reasons, liquidation purposes or forced redemptions.

The Master Fund pays the Investment Manager a monthly investment management fee equal to 1.25% (on an annualized basis) of its month-end net asset value of outstanding Shares of the Master Fund determined as of the last calendar day of that month before giving effect to any purchases or repurchases of Shares or any distributions by the Fund.

INVESTOR CONCERNS AND SUITABILITY The Fund is appropriate only for investors who can bear the risks associated with limited liquidity and should be considered a long-term investment. Investors may lose some or all of their investment and should carefully consider their investment objectives, personal situation, and other factors such as net worth, income, age, risk tolerance and liquidity needs before investing in the Fund. The information presented does not represent investment restrictions or guidelines for the Fund, and is current through the dates herein.

Before investing, you should carefully consider the Fund's investment objectives, risks, charges and expenses. For a prospectus that contains this and other information about the Fund, please contact Steben & Company at 800.726.3400 or info@steben.com. Please read the prospectus carefully before you invest.

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Important Disclosures & Risks

Steben Managed Futures Strategy Fund

RISK CONSIDERATIONS The Steben Managed Futures Strategy Fund is a non-diversified mutual fund that invests up to 25% of its assets in a subsidiary organized in the Cayman Islands. Changes in tax laws would likely decrease investment returns.

Investments in securities involve risk of the loss of capital. ***An investment in the Fund is speculative and there is no guarantee that the Fund will achieve its investment objectives.*** An investment in the Fund should be viewed as part of an overall investment program and should only be made by investors willing to undertake the risk involved. Diversification does not eliminate risk.

- Investing in commodity futures subjects the Fund to greater volatility.
- Trading on foreign exchanges and foreign investments including exposure to foreign currencies, involves risks not typically associated with U.S. investments, including fluctuations in foreign currency values, adverse social and economic developments, less liquidity, greater volatility, less developed or inefficient trading markets, political instability and differing auditing and legal standards.
- Derivative instruments can be highly volatile, illiquid and difficult to value. The Fund's use of derivatives such as futures, swaps, forward contracts and options contracts exposes the Fund to additional risks such as leverage risk, tracking risk, liquidity risk and counterparty default risk that it may not be subject to if it invested directly in the underlying securities.
- Investing in commodities through a controlled foreign corporation subsidiary involves taxation and regulatory risk. Where applicable, income received from commodities-related investments will be passed through to the Fund as ordinary income.
- Investment pools in which the subsidiary seeks exposure to through swap arrangements will pay management fees, commissions, operating expenses and performance based fees to each manager it retains. As a result, the cost of investing in the Fund may be higher than a mutual fund that invests directly in securities.
- The Steben Managed Futures Strategy Fund has an annual operating expense ratio (gross) of 2.00% of Class A and 1.75% for Class I. Performance shown at NAV does not reflect any redemption fees or sales charges and would be lower if it did. A redemption fee of 1.00% of the then-current value of Class I shares redeemed is imposed on redemptions of shares made within 30 days of purchase (i.e., the redemption is effective on or before the 30th day following the date of purchase), subject to certain exceptions. The redemption fee is not reflected in the performance shown.
- For other risks including, but not limited to, leverage, fixed income securities, and below investment grade securities, please read the prospectus.

Before investing, you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other important information about the Fund is contained in the Fund's prospectus which can be obtained by calling 855.775.5571 or visiting www.steben.com. Please read the prospectus carefully before investing.

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Important Disclosures & Risks

Futures Portfolio Fund

- Futures and forward trading is speculative and leveraged and can be volatile.
- Trading may occur on foreign exchanges which could mean higher risk.
- Futures and forward markets can be illiquid or disrupted.
- Diversification does not assure a profit or guarantee against loss in a declining market.
- Currency forward transactions are not regulated and are subject to credit risk.
- Limited ability to liquidate investment units (monthly).
- Fees and expenses are substantial and will offset the Fund's trading profits.
- The Fund is subject to actual and potential conflicts of interest involving the General Partner and the trading advisors. This includes the risk of owing substantial compensation to the General Partner and the trading advisors regardless of the Fund's investment performance.
- Global price movements of futures and forwards trading are caused by many unpredictable factors, such as currency fluctuations, interest rate changes and general economic and political conditions. In turn, the value of your Units may fluctuate substantially. This risk may be accentuated should trading occur in emerging markets.
- Units may be redeemed on a monthly basis upon 5 business days' prior written notice. Units, when redeemed, may be worth more or less than their original purchase price. There is no secondary market for the Units, and none is expected to develop. There are restrictions on transferring interests in the Fund.

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For additional information, contact us
at **800.726.3400** or visit **www.steben.com**