

## WhiteRiverGroup

WhiteRiverGroup (WRG) was founded in 2006 by Andreas Diessbacher, who is its sole principal and managing member. Andreas has had years of formal education in relevant subjects - ranging from statistics and probability

theory to the global financial markets - at institutions of higher education, to prepare him for successful options trading in the United States and foreign markets. (He's also traveled to more than 50 countries.)



After completing his studies at the Fachhochschule in Aachen, Germany, where he majored in finance, Andreas graduated with a Dipl. Betriebswirt (FH) at the top of his class. Bi-lingual, he moved to the United Kingdom, where he studied at Coventry University, receiving a B.A. in Business Studies, with Honors. His honors project was "An Evaluation of Option Pricing Models."

In 1998, after relocating to Chicago, Andreas obtained valuable hands-on experience at Professional Market Brokerage, where he worked as a commodity broker and also established and managed a trading desk and website to help German-speaking clients. In 2001, after qualifying for a Series 3 license and passing the Eurex Trader Exam, he joined Refco, LLC, as a commodity broker. He also represented the firm at trade shows throughout Europe and helped ensure the legal compliance of Foreign Introducing Brokers.

Today, as a Commodity Trading Advisor (CTA), WRG is registered with the Commodity Futures Trading Commission (CFTC) and also a member of the National Futures Association (NFA).

CTAs are generally asset managers who follow a set of investment strategies and are responsible for the actual trading of managed accounts. The two major types of commodity trading - both can involve call and put options, Andreas's specialty - are:

1. Systematic ("more technical focused")
2. Discretionary ("more fundamental focused")

As a long-time practitioner and student of both, Andreas now concentrates mostly on discretionary trading. He's found that it's best suited to the clients he works most often with: those who can tolerate high risk - and are not adverse to the potential of high rewards!

**Trading futures and options involves substantial risk of loss. Past performance is not necessarily indicative of future results.**

When asked to explain why he so strongly believes that discretionary trading is far better than systematic trading for high-risk clients, Andreas Diessbacher replied:

“As traders have been warned again and again, ‘Past performance is no guarantee of future results.’ And most of the systematic trading programs rely far too much on past performance -

commodity prices and trends from days, weeks, months and even years ago.”

“With systematic trading, this data undergoes quantitative analysis via computer software - with little or no human input - in an attempt to predict future results and influence trading decisions.”



“However, markets are evolving all the time. Every market situation is different. Things change - sometimes suddenly and dramatically. You cannot depend on history to predict the future, any more than you could have predicted that Toyota, long the quality leader, would have plummeted overnight to the bottom of the hill.”

“Certainly, systematic analysis has its place, if only to predict what almost always or almost never occurs, given a particular set of circumstances. But using it to decide which futures and options to buy, hold or sell - and when to do so - is too risky, in my opinion, for a business activity that is already risky enough.”

“Discretionary trading is different. It relies primarily on the trader’s discretion - his or her individual choice or judgment - not on some electronic device to decide what to buy, what to hold, and what to sell... and when to do so.”

“Of course, we use computers and software, too, but mostly to research supply and demand situations and other factors, and to execute trades - not to make important decisions.”

“Rather than trying to be a “jack-of-all-trades, master of none,” WRG offers two managed programs. The Stock Index Option Writing Strategy (SIOWS) specializes in trading options on futures contracts on the E-mini S&P 500 contract - with a minimum account size of \$10,000 - and the Diversified Option Writing Strategy (DOWS) that specializes in trading options on future contracts for five commodities - Crude • Gold • Euros • Corn • 30-year T-bonds - with a minimum accountsize of \$20,000. Most of their trades have expiration dates of from one to four weeks.”

While many WRG clients buy puts and/or calls as “insurance” to protect their current investments, others use these options as a way to speculate without having to invest the full price of the relevant commodity. Please note that there is an unlimited risk associated with writing options.

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