

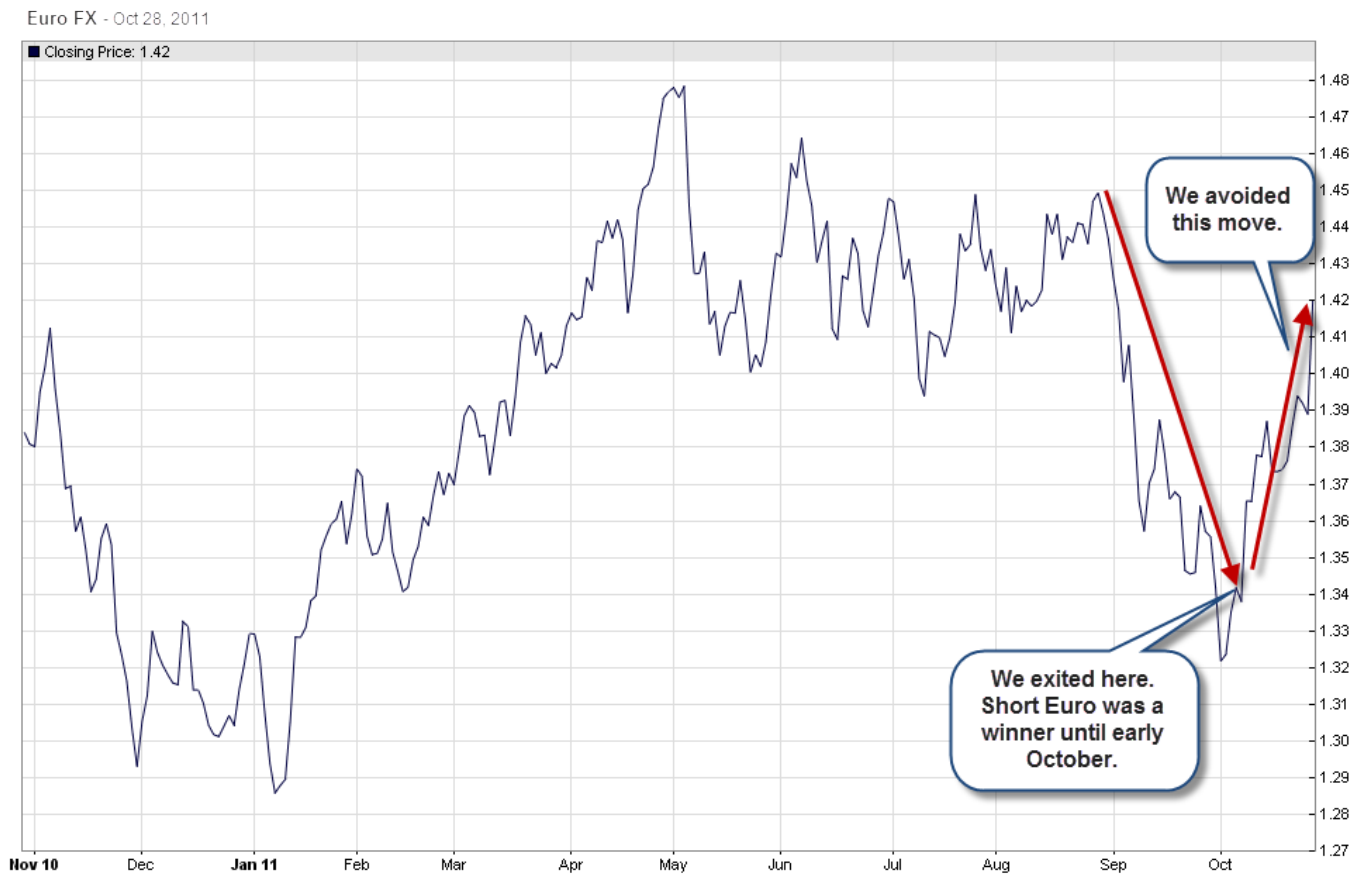


## Acorn Diversified Program – October 2011

The Acorn Diversified Program declined an estimated 5.75% for the month of October.

Many global markets moved in a direction contrary to their longer term trends this month. Equities were strong while bonds and the US dollar were weak. This contra-trend price action seemed to reflect the hope that the latest rescue package will actually save the European Union. Our systems respected these price movements by exiting positions across the portfolio. However, the systems are not buying into the move yet. Rather, they are poised to re-establish positions if and when the longer term trends reassert themselves in the near-term.

Our short position initiated in the Euro currency in early September was exited in October. As the chart below illustrates, the trade itself was quite profitable overall but as is always the case, the exit occurred after the market moved against us. Thus, the attribution for the short Euro position was negative in October. Many other currencies also rebounded against the US dollar after several months of weakness.



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With the exception of energies, all other sectors posted average losses of less than 1%. The small gain in the energy sector was mainly due to short exposure to carbon emissions which continue to weaken as illustrated in the chart below:



Position limits on US futures markets were introduced by the CFTC in October. The introduction of these limits does not directly affect the Acorn Diversified Program. By our estimation, the rules are focused on managers with billions under management. This decision is likely to create unintended consequences and thus, interesting opportunities on several levels.

The open position report on the next page illustrates that while politics, economics, interventions, news events and non-events all continue to swirl about, we efficiently execute our daily process of adapting to changes in price direction and volatility. Our effective rules have stood the test of time and rigorous research. We respect these rules and processes more than short-term fluctuations in results.

As always, if you have any questions, feel free to contact us at 905-257-0773 or at [service@acorn.ca](mailto:service@acorn.ca).

Best regards,

Jason Russell, CFA  
President and Chief Investment Officer

**Objective and Strategy**

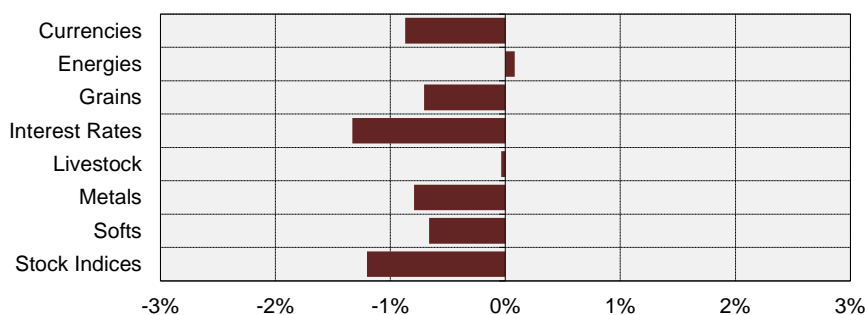
The investment objective of the program is to deliver annualized double digit returns over a three to five year period and a diversification benefit that provides low correlation to traditional equity, bond, and real estate investments. Acorn applies highly disciplined, adaptable and proven strategies to a large portfolio of liquid futures, equities and options as well as currencies.

**Monthly Performance**

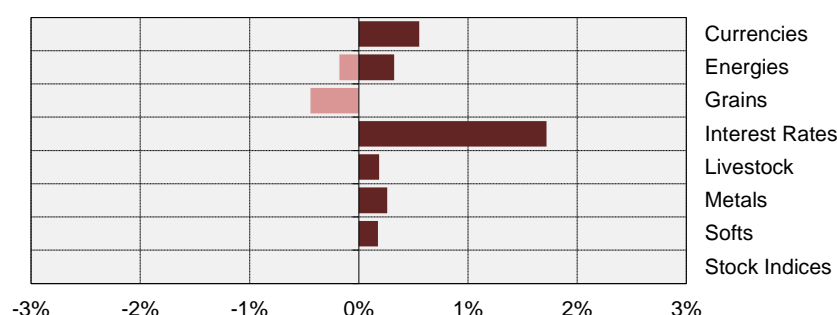
(July 2005 - November 2008 - see disclaimer)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2011</b>	-2.18%	2.57%	-1.81%	6.18%	-3.02%	-7.01%	4.15%	3.16%	-0.56%	<b>-5.75% e</b>			<b>-5.02%</b>
<b>2010</b>	-3.72%	-0.70%	2.65%	-2.82%	2.34%	2.02%	-1.25%	5.84%	2.93%	2.74%	-2.45%	7.48%	<b>15.37%</b>
<b>2009</b>	----	----	----	----	----	----	-4.32%	2.89%	1.00%	-2.08%	-5.50%	2.21%	<b>-5.96%</b>
<b>2008</b>	11.76%	12.10%	3.98%	-2.38%	-3.21%	7.08%	2.02%	-1.81%	-11.64%	5.25%	-0.38%	----	<b>22.32%</b>
<b>2007</b>	2.10%	-4.43%	-4.28%	4.21%	1.33%	2.50%	-4.35%	1.85%	12.07%	1.44%	6.73%	-0.44%	<b>18.97%</b>
<b>2006</b>	8.46%	0.27%	7.04%	3.78%	-5.78%	-4.32%	-13.80%	-0.86%	2.94%	4.80%	3.33%	3.03%	<b>6.89%</b>
<b>2005</b>							2.39%	4.17%	1.59%	-7.02%	6.98%	7.09%	<b>15.42%</b>

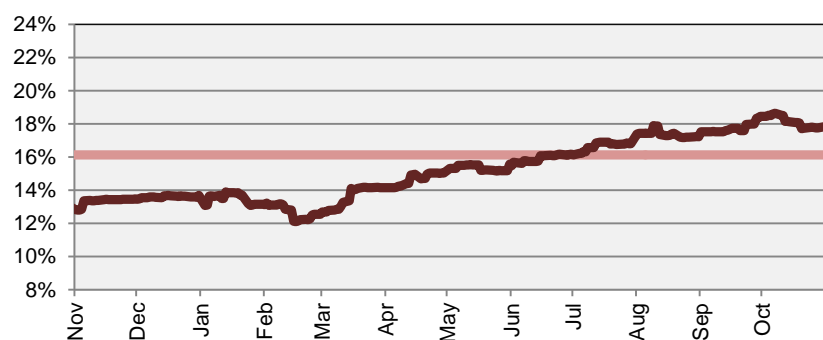
**Sector Returns**



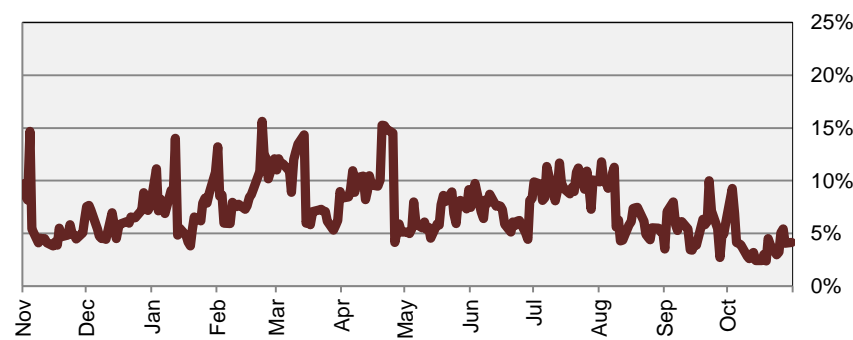
**Sector Exposures**



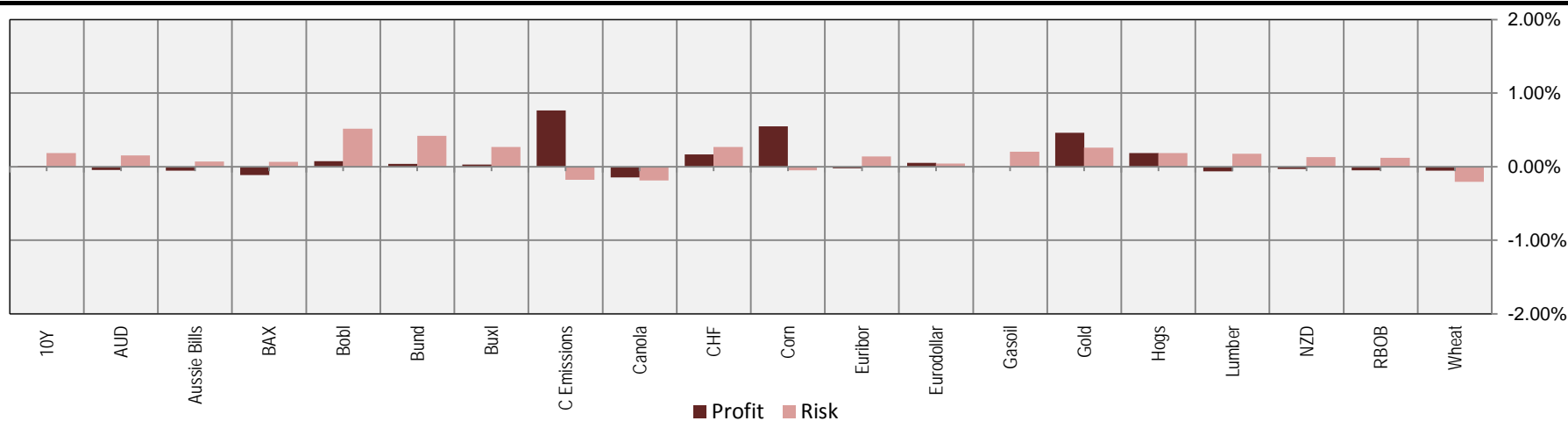
**Portfolio Volatility\***



**Portfolio Exposure\***



**Open Position P&L and Risk**



**Program Information**

Min Investment: \$10,000  
 Management Fee: 2%  
 Performance Fee: 20%  
 Current Assets: \$26M

**Manager Activity (90 Days)**

Subscriptions: Yes  
 Redemptions: No  
 Net Investment: Positive

**Service Providers:**

Admin: CIBC Mellon  
 Auditor: KPMG  
 Legal: Fasken Martineau  
 Brokers: Newedge, IB

**Contact Information:**

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## **Disclaimer**

**PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.** This information is produced by Acorn Global Investments Inc. ("Acorn"). The information we use are estimates obtained from sources we believe to be accurate, however, that is not always the case so we make no guarantees. The Acorn Diversified Program is managed by Acorn. The performance presented here accurately reflects the actual net performance of the Class A Master Series of the Acorn Diversified Trust from July 2009 and the BTR Global Macro Fund from July 2005 – November 2008. The BTR Global Macro Fund used the same investment decision maker, process, objective and strategy as the Acorn Diversified Program has since commencing operations in July 2009. During the transition period between December 2008 – June 2009, no trading took place. Shareholder records which document and support the performance of the past firm and the Acorn Diversified Program are available upon request. The returns above are net of management and performance fees but do not take into account other fees that may apply such as short-term trading deductions. All information contained here, is subject to change without notice and Acorn will not be held liable for any inaccuracies or misprints. Important information about the Acorn Diversified Trust including risks, objective, strategy and fees is contained in the offering memorandum. This is not and may not be used as a recommendation or a solicitation.

\*The portfolio volatility and portfolio exposure charts are generated by our trading system and include historical simulation values to provide context.

## **Relationship Disclosure Information**

To comply with National Instrument 31-103 – Registration Requirements and Exemptions (NI 31-103), we have posted our Relationship Disclosure document to the website. To review this document, please click here:

[www.acorn.ca/AcornRelationshipDisclosure.pdf](http://www.acorn.ca/AcornRelationshipDisclosure.pdf)