



Trading Strategy

Options - Spreads - Stock Market Timing

Program Description

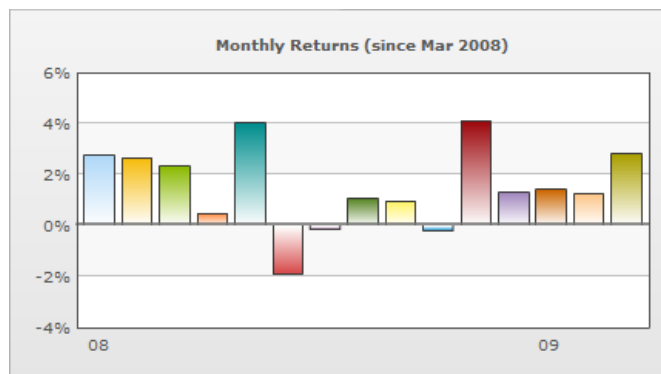
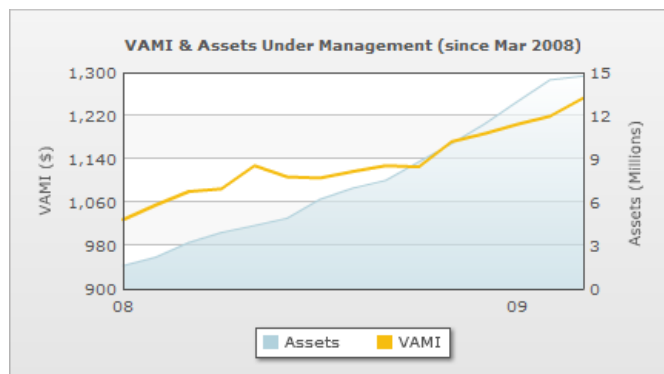
The trading program utilizes the principal's 20+ years experience trading in the futures markets in order to develop a multi-strategy and multi-market approach to trading both commodity futures and options on futures trading. 1. Commodity option selling - This strategy consists of selling or "writing" options (puts and calls) on futures contracts in the crude oil, coffee, soybeans, silver, natural gas and corn markets, among others. The program may also, from time to time, purchase options and may employ the use of hedged strategies such as option spreads, strangles, straddles, or may purchase or sell futures to offset an open option position. 2. Seasonal and spread trading - We seek to profit from seasonal patterns inherent in various commodity markets. The trades taken may be outright long (buy) and short (sell) positions or spread trades between two similar commodities. Seasonal trading may also employ the use of buying and/or selling options. 3. Stock Market timing - We have developed a proprietary program for trading the stock market. We may take a long position when a buy signal is generated for the stock market and may take a short position when a sell signal is generated.

Investment Information

Start Date	2008-03-01
Percent Discretionary	70.00
Percent Systematic	30.00
Targeted Return *	NA
Worst Expected Drawdown *	NA
Minimum Investment	50,000
Currency	US Dollars

Fee Structure	
Management Fee	2.00%
Incentive Fee	20.00%
Avg Margin Requirement	10.00%
Round Turns per million	1,950

Notes	
Accountant	N/A



Performance since March 2008

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008			2.77%	2.64%	2.34%	0.48%	4.03%	-1.89%	-0.17%	1.07%	0.95%	-0.18%
2009	4.11%	1.31%	1.42%	1.25%	2.80%							

	2008	2009 YTD
Annual Return	12.56%	11.34%
Maximum Drawdown	-2.06%	0.00%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. PROSPECTIVE CLIENTS SHOULD NOT BASE THEIR DECISION ON INVESTING IN THIS TRADING PROGRAM/FUND SOLELY ON THE PAST PERFORMANCE PRESENTED.



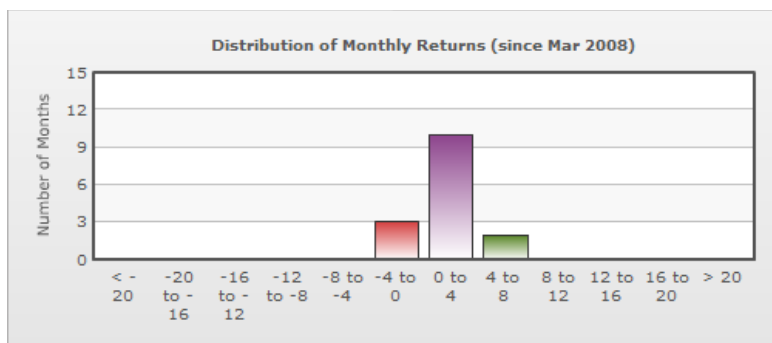
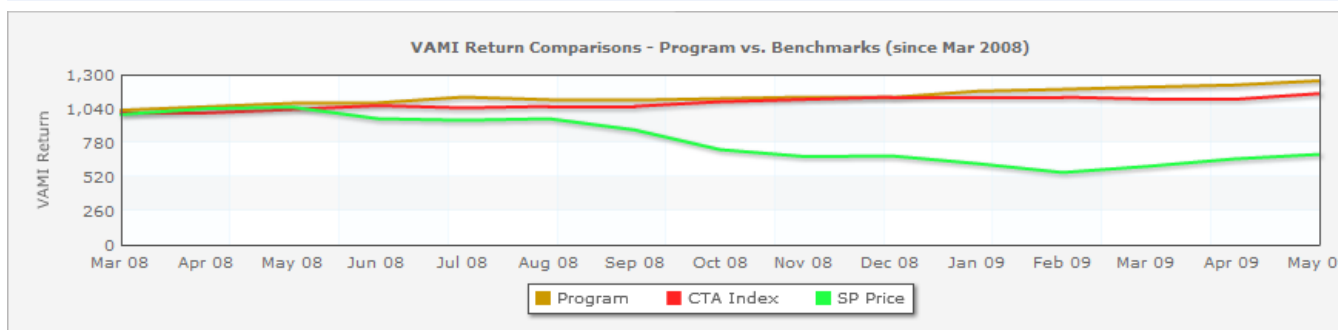
Program Statistics

Maximum Drawdown	-2.06%
Average Monthly Return	1.53%
Monthly Std. Deviation	1.63%
Calmar Ratio (1)	N/A
Sterling Ratio (2)	N/A
Current Losing Streak	0.00%
Gain Deviation (12 months gain)	1.20%
Loss Deviation (3 months loss)	0.99%

Annualized Statistics

Compound ROR	19.79%
Standard Deviation	5.65%
Downside Deviation (4)	2.44%
Sharpe Ratio (5)	2.38
Sortino Ratio (6)	4.48
Gain Deviation	4.16%
Loss Deviation	3.43%

Comparisons	Program	CTA Index	SP Price
Annualized Compound ROR	19.79%	12.11%	-25.62%
Cumulative Return	25.33%	15.36%	-30.93%
Cumulative VAMI ⁽³⁾	1253	1154	691
Largest Monthly Gain	4.11%	3.87%	9.39%
Largest Monthly Loss	-1.89%	-1.79%	-16.94%
Profit Loss Ratio	11.24	5.16	0.49
Correlation	—	-0.233	0.099
Last Month	1.25%	-0.17%	9.39%
Last 12 Months	16.10%	11.65%	-34.37%
Last 36 Months	25.33%	43.93%	-27.63%



Statistical Notes

1. Uses last 36 months of Data
2. Uses last 36 months of Data
3. The hypothetical growth of \$1,000
4. Uses a 7.5% Minimum Acceptable ROR
5. Uses a 5.0% Risk Free ROR
6. Uses a 7.5% Minimum Acceptable ROR

* Targeted Return & Worst Expected Drawdown Estimates have been supplied by the Manager
** ROR = Rate of Return

For Statistical definitions and formulas see "Building Wealth with Managed Futures" by Kim Avery

THE RISK OF TRADING COMMODITY FUTURES, OPTIONS AND FOREIGN EXCHANGE ("FOREX") IS SUBSTANTIAL. THE HIGH DEGREE OF LEVERAGE ASSOCIATED WITH COMMODITY FUTURES, OPTIONS AND FOREX CAN WORK AGAINST YOU AS WELL AS FOR YOU. THIS HIGH DEGREE OF LEVERAGE CAN RESULT IN SUBSTANTIAL LOSSES, AS WELL AS GAINS. YOU SHOULD CAREFULLY CONSIDER WHETHER COMMODITY FUTURES, OPTIONS AND FOREX IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IF YOU ARE UNSURE YOU SHOULD SEEK PROFESSIONAL ADVICE. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE SUCCESS.