
DISCLOSURE DOCUMENT
OF
CERVINO CAPITAL MANAGEMENT LLC
A COMMODITY TRADING ADVISOR

THE DATE OF THIS DISCLOSURE DOCUMENT IS
JUNE 1, 2010

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Cervino Capital Management LLC (NFA ID 0363793)

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Commodity Account Risk Disclosure Statement

THE RISK OF LOSS IN TRADING COMMODITIES CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IN CONSIDERING WHETHER TO TRADE OR TO AUTHORIZE SOMEONE ELSE TO TRADE FOR YOU, YOU SHOULD BE AWARE OF THE FOLLOWING:

(1) IF YOU PURCHASE A COMMODITY OPTION YOU MAY SUSTAIN TOTAL LOSS OF THE PREMIUM AND OF ALL TRANSACTION COSTS.

(2) IF YOU PURCHASE OR SELL A COMMODITY FUTURE OR SELL A COMMODITY OPTION YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS AND ANY ADDITIONAL FUNDS THAT YOU DEPOSIT WITH YOUR BROKER TO ESTABLISH OR MAINTAIN YOUR POSITION. IF THE MARKET MOVES AGAINST YOUR POSITION, YOU MAY BE CALLED UPON BY YOUR BROKER TO DEPOSIT A SUBSTANTIAL AMOUNT OF ADDITIONAL MARGIN FUNDS, ON SHORT NOTICE, IN ORDER TO MAINTAIN YOUR POSITION. IF YOU DO NOT PROVIDE THE REQUESTED FUNDS WITHIN THE PRESCRIBED TIME, YOUR POSITION MAY BE LIQUIDATED AT A LOSS, AND YOU WILL BE LIABLE FOR ANY RESULTING DEFICIT IN YOUR ACCOUNT.

(3) UNDER CERTAIN MARKET CONDITIONS, YOU MAY FIND IT DIFFICULT OR IMPOSSIBLE TO LIQUIDATE A POSITION. THIS CAN OCCUR, FOR EXAMPLE, WHEN THE MARKET MAKES A "LIMIT MOVE."

(4) THE PLACEMENT OF CONTINGENT ORDERS BY YOU OR YOUR TRADING ADVISOR, SUCH AS A "STOP-LOSS" OR "STOP-LIMIT" ORDER, WILL NOT NECESSARILY LIMIT YOUR LOSSES TO THE INTENDED AMOUNTS, SINCE MARKET CONDITIONS MAY MAKE IT IMPOSSIBLE TO EXECUTE SUCH ORDERS.

(5) A "SPREAD" POSITION MAY NOT BE LESS RISKY THAN A SIMPLE "LONG" OR "SHORT" POSITION.

(6) THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.

IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS, ON PAGES 25, 26 AND 27, A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE TRADING ADVISOR.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS INVESTMENT OFFERING AND COMMODITY TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, STARTING AT PAGE 18.

YOU SHOULD ALSO BE AWARE THAT THIS TRADING ADVISOR MAY ENGAGE IN TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE YOUR TRANSACTIONS MAY BE EFFECTED. BEFORE YOU TRADE YOU SHOULD INQUIRE ABOUT ANY RULES RELEVANT TO YOUR PARTICULAR CONTEMPLATED TRANSACTIONS AND ASK THE FIRM WITH WHICH YOU INTEND TO TRADE FOR DETAILS ABOUT THE TYPES OF REDRESS AVAILABLE IN BOTH YOUR LOCAL AND OTHER RELEVANT JURISDICTIONS.

THIS TRADING ADVISOR IS PROHIBITED BY LAW FROM ACCEPTING FUNDS IN THE TRADING ADVISOR'S NAME FROM A CLIENT FOR TRADING COMMODITY INTERESTS. YOU MUST PLACE ALL FUNDS FOR TRADING IN THIS TRADING PROGRAM DIRECTLY WITH A FUTURES COMMISSION MERCHANT.

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1. Introduction

Cervino Capital Management LLC is a California limited liability company formed in August 2005 (herein after known as the “Advisor”). The Advisor became registered with the Commodity Futures Trading Commission (“CFTC”) on December 14, 2005 and is a member of the National Futures Association (“NFA”) as of the same date. The date of this document’s first intended use is June 1, 2010. This document should not be relied upon after February 28, 2011.

The Advisor’s administrative services office address, trading operations office address, telephone numbers, website and email address are below. All the records are kept and made available for inspection at the administrative services office, which is also the main business office.

ADMINISTRATIVE SERVICES:

929 Santa Barbara Street

Santa Barbara, CA 93101

Tel: (310) 849-5818

Website: www.cervinocapital.com

TRADING OPERATIONS:

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Beverly Hills, CA 90210

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THERE IS SUBSTANTIAL RISK INVOLVED IN INVESTING IN THE ADVISOR’S TRADING PROGRAMS. AN INVESTMENT IN EITHER TRADING PROGRAM IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY REVIEW FUTURES AND OPTIONS TRADING TO DETERMINE IF IT IS SUITABLE FOR YOU IN LIGHT OF YOUR INVESTMENT OBJECTIVES AND FINANCIAL CONDITION.

The Advisor currently offers three separate trading programs: Diversified Options Strategy 1X (D1X), Diversified Options Strategy 2X (D2X), and Gold Covered Call Writing (GCW). In addition, the Advisor offers in combination with its Registered Investment Adviser registration an advisory service called Discretionary Portfolio Management (DPM). The past performance of the Diversified Options Strategy 1X, and Diversified Options Strategy 2X, and Gold Covered Call Writing trading programs are set forth in Section 7 Program Performance starting on page 30. The past performance of the Discretionary Portfolio Management advisory service is set forth in Section 8 Advisory Performance starting on page 33. In October 2008 the Advisor ceased trading the Commodity Options Program. The past performance of this program is set forth in Section 9.1 Commodity Options Program. Each investment strategy involves trading in derivatives and is intended primarily for sophisticated investors. The overarching goal of the Advisor’s money management services is the capital appreciation of its clients’ investments through speculation in futures contracts and options on futures. No assurance can be given that this objective will be met, and any investments in an account to be traded by the Advisor should only be considered by investors that can assume the significant risk of trading futures and options on futures, including losses in excess of their initial investments. The Advisor will attempt to meet the objective of capital appreciation for the trading programs and advisory service described above by making trading decisions based upon proprietary trading methodologies.

Clients must open and maintain an account with a Futures Commission Merchant or Introducing Broker with whom the client’s account will be maintained or introduced. The Advisor is not permitted to accept or hold customers’ funds. Clients will receive trade confirmations and monthly account statements from its clearing firm reflecting all transactions entered into by the Advisor on the client’s behalf. These records should be reviewed immediately upon receipt in order to monitor the status of the client’s account and should be retained for future reference.

1.1 Principals

Davide Accomazzo has been a listed principal and associated person of the Advisor since December 14, 2005, and a branch manager since March 7, 2006. He is a 'participant member' and managing member of the Advisor, as well as branch manager of the trading operations office. His title is Managing Director, Chief Investment Officer. Mr. Accomazzo is the principal trader for the Advisor, and has sole authority and control over the trading decisions of the Advisor. The past performance of Kensington Capital Management, LLC, for which Mr. Accomazzo was trading principal, and the proprietary account of Mr. Accomazzo is set forth in Section 9 Supplemental Information.

Michael W. Frankfurter has been a listed principal and associated person of the Advisor since December 14, 2005. He is a 'participant member' and managing member of the Advisor. His title is Managing Director, Chief of Operations. Mr. Frankfurter is the main point of contact for the Advisor, and oversees the operations and provides administrative assistance to the Advisor. Mr. Frankfurter has no control over or involvement with the trading decisions of the Advisor.

New Kensington Inc. became a listed principal of the Advisor on April 6, 2009. New Kensington Inc. is a California corporation wholly owned by Davide Accomazzo, and is an assignee of Mr. Accomazzo's membership interests. In accordance with the Advisor's operating agreement, such assignment does not entitle New Kensington Inc. to participate in the management and affairs of the Advisor or to become a substitute member. Accordingly, New Kensington Inc. shall have no right to vote or participate in the management of the business, property and affairs of the Advisor.

1.2 Business Background

DAVIDE ACCOMAZZO—MANAGING DIRECTOR, CHIEF INVESTMENT OFFICER. Davide Accomazzo has been trading professionally since 1996. From July 1996 through December 1997 he was employed as a Euro-convertible bond/international equities sales trader for Jefferies and Company, Inc., an investment bank. In this position, he covered many international funds, including: Arca, La Generali, Hansberger, New Africa Fund/NCM, Cranberry Rock, Pontaray, Weston Group, and Oppenheimer retail international desk. In January 1998 he left to trade his own capital and in November 1999 he started Kensington Offshore Limited, a speculative hedge fund which outperformed the S&P 500 market benchmark during the 1999 through 2002 equity markets' boom and bust cycles. In February 2001 he launched Kensington Capital Management, LLC, a Commodity Trading Advisor that focused on trading options on futures and currency futures. Mr. Accomazzo was signed on by UBS Wealth Management USA, a broker-dealer, in October 2004 to manage the portfolios of high net worth investors, and withdrew as principal and associated person of Kensington Capital Management, LLC in November 2004. In October 2005, Mr. Accomazzo resigned from UBS having co-founded Cervino Capital Management LLC with Michael Frankfurter.

Mr. Accomazzo received a Laurea in Political Sciences and International Relations at Universita' degli Studi Genova in 1990, a Masters in Arts in Mass Communication from California State University Northridge in 1992, and his MBA in Finance at the School of Business and Management at Pepperdine University in June 1996. During his academic career he worked in collaboration with Investment Technology Group ("ITG") on projects that focused on automated portfolio management through Quantex, ITG's electronic execution system. Since August 2007 Mr. Accomazzo has also served as an adjunct professor at Pepperdine University, Graziadio School of Business and Management, where he teaches courses on global capital markets and portfolio investment management.

MICHAEL W. FRANKFURTER—MANAGING DIRECTOR, CHIEF OF OPERATIONS. Michael "Mack" Frankfurter started his career in the financial services industry in 1989 with Bank of America, a commercial bank. In July 1991 he was recruited by private equity boutique The Echelon Group, Inc. (subsequently restructured as The Echelon Group of Companies, LLC) as vice president in charge of operations of Echelon's managed futures business. As an associated person, Mr. Frankfurter was involved with the startup, accounting, client services, compliance, backoffice and marketing of multiple Echelon-related joint venture Commodity Trading Advisors including

Ark Capital Management, Dreiss Research Corporation, Echelon Capital Advisors, Jackson Grain Management, Longview Capital Management, Range Wise and Royal Union Petroleum Group. Mr. Frankfurter was also involved in activities related to the establishment of other Echelon-related ventures including Dignity Partners, Inc., a viatical settlement business. Dignity Partners institutionalized the viatical settlement industry by successfully completing a private placement of \$50 million in securitized notes (voted "1995 Private Deal of the Year" by Investment Dealers Digest), and a subsequent initial public offering in 1996. Later renamed Point West Capital Corporation, the company launched a venture capital subsidiary, a correspondent broker subsidiary and a specialty business-lender subsidiary. During this time Mr. Frankfurter was responsible for implementing and maintaining both Echelon's and Point West's information systems while continuing to administer to Echelon's managed futures business.

Mr. Frankfurter left Echelon and Point West in January 1999. After spending some time off sailing and traveling, he worked as a consultant on projects for FleetBoston Robertson Stephens. In January 2000 he briefly became an associated person of The Pixley Group, an introducing broker, prior to being recruited in July 2000 by The Capital Markets Company (Capco) as senior consultant to work as project manager for an online private banking startup and joint venture between Scudder Kemper and Thomas Weisel Partners. That long-term project was followed by an international inter-company trading systems implementation for Commerzbank involving Royalblue *fidessa*, and a T+1/STP readiness assessment for Bank of Montreal. He left Capco in April 2002 and in May 2002 founded NextStep Strategies, LLC which focused on consulting and headhunting for financial services companies. NextStep Strategies was also registered as a Commodity Trading Advisor and Commodity Pool Operator from March 2003 to July 2004. Mr. Frankfurter joined UBS Financial Services, Inc., a broker-dealer, in May 2004 in their Beverly Hills office and provided financial advisory services to clients until June 2005. He rejoined NextStep Strategies, LLC in July 2005 and co-founded Cervino Capital Management LLC with Davide Accomazzo in August 2005. In September 2007, Mr. Frankfurter became an associated person of Managed Account Research, Inc. ("MARI"), an introducing broker, where he functions in an operational and administrative capacity.

2. Investment Programs

2.1 Overview of Advisor's Methodology

The Advisor currently offers three separate trading programs: Diversified Options Strategy 1X (D1X), Diversified Options Strategy 2X (D2X), and Gold Covered Writing (GCW). In addition, the Advisor offers in combination with its Registered Investment Adviser registration an advisory service called Discretionary Portfolio Management (DPM). Each investment strategy involves trading in derivatives and is intended primarily for sophisticated investors. The overarching goal of the Advisor's money management services is the capital appreciation of its clients' investments through speculation mainly in exchange traded derivative contracts such as futures¹ and options on futures².

¹ A futures contract provides an investor the opportunity to contract to buy or sell an underlying commodity or financial asset at a specified price and settlement date in the future. Futures contracts are highly leveraged instruments and the low margin deposits normally required for futures transactions allow for an extremely high degree of leverage in comparison with investments in other assets. As a result, a relatively small movement in the market price of the underlying instrument may result in a disproportionately large profit or loss, and may even result in a loss of the total investments of the client.

² By buying or selling an option on futures the investor enters into a legal obligation to buy or sell the underlying futures contract if the option is exercised. By purchasing an option on futures the trader acquires the right, but not the obligation, to buy or sell the underlying futures contract. When buying an option on futures the maximum loss is limited to the premium plus transaction charges. However when selling an option on futures, the loss is unlimited unless the option is covered by the purchase of the underlying futures contract or the purchase of the same option on futures contract in order to offset the position. The risks involved in selling uncovered options are therefore considerably greater than purchasing options.

No assurance can be given that this objective will be met, and any investments in an account to be traded by the Advisor should only be considered by investors that can assume the significant risk of trading futures and options on futures, including losses in excess of their initial investments. The Advisor will attempt to meet the objective of capital appreciation for this trading programs by making trading decisions based upon proprietary trading methodologies.

The Advisor generally relies on fundamental, technical or quantitative analysis, or a combination of each, in making trading decisions and attempting to anticipate price movements.

Fundamental analysis looks at the factors that affect the supply and demand of a particular commodity or financial asset in order to predict the expected market price for that asset. Such factors include, but are not limited to, government actions (e.g., monetary policy, fiscal policy, regulation, price controls, etc.), the release of information concerning weather conditions (e.g., reports of frost in certain growing areas), or the release of economic statistics (e.g., Consumer Price Index, Housing Starts, Unemployment Rate, etc.) resulting in actual or probable significant price movements.

Technical analysis is not based on the anticipated supply and demand of the spot or cash commodity or financial asset; instead, it is based on the theory that a study of the movement of markets themselves will provide a means of anticipating future prices. Technical analysis often includes the study of intra-day, daily, weekly, and monthly prices, volume and open interest data, and utilizes charts and/or computers for analysis of these items. Another type of technical analysis is market sentiment which is based on the theory of contrary opinion and assumes that when investors swing to emotional extremes they are likely to be overreacting. Sentiment indicators such as short sales or put and call activity is used to highlight junctures of bullish excess (overbought) and bearish excess (oversold), which are useful leading indicators of trend exhaustion.

In addition to fundamental and technical analysis, trading decisions may be based on quantitative analysis, a technique that seeks to understand price behavior by using complex mathematical and statistical modeling, measurement and research. For example, since an option's price is a function of its strike price, time to expiration, underlying asset's price and volatility, and short-term interest rates, it is logical that a formula can calculate option prices from these variables. Therefore, utilizing statistical analysis, a model of price variation on a particular futures contract may be used to theoretically determine the fair value of an option on such futures contract.

In developing its market opinion and evaluating potential trades, the Advisor generally uses a blended combination of mechanical signals and subjective interpretation of fundamental studies, technical and sentiment indicators, as well as statistical probability analysis. This research includes, but is not limited to, continuous analysis of short- and long-term price series, the impact of seasonal and cyclical price movements upon the underlying price trend, fundamental factors affecting supply and demand influences, and application of statistical models in order to consider risk factors associated with various trading opportunities. The intent is to identify and arbitrage price discrepancies that reflect under- and over-valuations as well as directional trend bias or trend-reversal/mean reversion opportunities, and to produce a replicable trade execution process consisting of positions with statistically high probabilities of positive outcomes. To accomplish this goal, the Advisor utilizes options to structure complex positions that within one or across several underlying asset exposures can tactically reflect one or more trading perspectives, such as hedged relative value, fundamentally-based, or volatility/opportunistic investment strategies.

Risk control is achieved through a variety of means which should in most, but not necessarily all, market conditions help minimize the impact of drawdowns. The first is portfolio constructions and diversification such as the use of hedged positions across several underlying assets; second is controlling leverage through position sizing adjusted according to account size, market volatility and risk-reward analysis; and third is stops based on money management rules. Risk management is deemed to be an ongoing process and therefore the Advisor continually monitors all positions.

Occasionally the Advisor may adjust positions either by entering into new positions which hedge existing market exposure, or by liquidating and/or covering existing positions in order to reduce market exposure or reset a position at different strike price(s) and/or contract expiration(s).

Prospective investors should be aware that the Advisor's trading programs may be more aggressive than most other trading programs. This is due to the fact that the Advisor's trading strategy primarily utilizes options on futures, and the Advisor will typically adjust its positions on a regular basis. As a result, it is anticipated that the velocity, or turnover rate, may be substantially higher than the turnover in other money management programs. Accordingly, the Advisor's trading strategy can result in substantially greater commission charges that may rapidly deplete the equity in a client's account in the event the Advisor's strategies are not successful.

The trading methods employed by the Advisor may be profitable overall, however, there may be periods in which such trading methods may result in substantial trading losses.

2.2 Diversified Options Strategy 1X and 2X

The Advisor's Diversified Options Strategy 1X and 2X involve trading in a diversified portfolio of option on futures contracts including options on equity index futures. Diversified Options Strategy 1X is a baseline program and the past performance of this program is set forth in Section 7 Program Performance. Diversified Options Strategy 2X is leverage at two times the Diversified Options Strategy 1X program; in other words, the 2X program will trade twice as many contracts as the 1X program for the same nominal account size. Accordingly, the additional leverage of the 2X program is expected to result in increased account volatility, and therefore an increased potential for higher returns as well as an increased potential for larger drawdowns. The past performance of Diversified Options Strategy 2X is set forth in Section 7 Program Performance.

These programs are designed to be an absolute return strategy focused mainly on premium capture strategies with the objective of generating positive returns in most market conditions regardless of whether the underlying market(s) is up or down. Both of these programs focus their trading activities on a portfolio of options on futures contracts diversified across a variety of underlying financial assets. Opportunity and risk exposure is further diversified through the use of different types of option combinations including, but not limited to, bear spreads, bull spreads, condors, ratio spreads, strangles and calendar spreads as well as naked puts and calls. The variety of position combinations that are possible with options contributes to the creation of multifaceted and versatile investment strategies tailored to market conditions and trading outlook. Generally, both the Diversified Options Strategy 1X and 2X are counter-trend biased in the sense that these programs will, for example, write calls into rallies and write puts into declines. While the Advisor will utilize mechanical signals as a component of its investment process, unlike certain technical traders the Advisor does not purely follow any systematic entry and exit signals in implementing its trading strategy for Diversified Options Strategy 1X and 2X. Rather, there is a significant element of discretion involved with Advisor's formulation and execution of its trading ideas for these programs.

The underlying asset classes and futures contracts upon which both the Diversified Options Strategy 1X and 2X focus their options trading consists primarily of the S&P 500 equity index, with additional portfolio exposure, but to a lesser degree, in currencies (e.g., Euro, Yen), U.S. Treasuries (e.g., 10 Year U.S. Treasury Note) and precious metals (e.g., gold, silver). In addition, the Advisor may for accounts funded with Actual Funds (see Section 2.6 Broker, Account Size, and Funding) invest in fixed income securities that are fungible for margin purposes. The fore mentioned list of underlying asset classes is not meant to be exclusive, and the Advisor may trade in other markets in its own discretion in order to gain exposure to opportunities in the majority of actively traded markets, and to achieve a balance across economic sectors while simultaneously limiting, to the extent possible, undue concentration in any particular economic sector. The intent of such discretion is to increase opportunities for gain, decrease risk and provide more consistent returns.

The trading strategy largely involves, but is not limited to, the implementation of option combinations such as bear spreads, bull spreads, condors, ratio spreads, strangles and calendar spreads. The writing of “naked options,” is another strategy that the Advisor may utilize from time to time. In addition the Advisor may establish outright long option positions, or establish long or short futures positions under certain market conditions. Options on futures may be used by the Advisor on both a covered basis and an uncovered basis, but in the vast majority of circumstances positions will not be “covered” by the underlying futures contract(s). Both put and call options will be traded.

Due to the nature of the Advisor's trading methods and the experience of its trading principal, the portfolio often may not be diversified; in fact, on occasion, there may be a heavy concentration of a given position or a position complex, which could result in a greater return or risk to the account. While the Advisor may utilize contingent orders such as “stop-loss” or “stop-limit” orders, such orders will not necessarily limit losses to intended amounts since market conditions may make it impossible to execute such orders.

The foregoing investment principles are factors upon which the Advisor bases its trading decisions for both the Diversified Options Strategy 1X and 2X. Such trading strategies have been and will be enhanced or revised from time to time. The research and trading methods of the Advisor are proprietary and confidential. The description of this program is, of necessity, general and is not intended to be exhaustive.

2.3 Gold Covered Call Writing

The Advisor’s Gold Covered Call Writing program involves a combination of long gold futures contracts and short gold call options. The Advisor intends to maintain a perpetual long gold futures position by “rolling the futures contract forward” to deferred-delivery futures contracts, and writing call options on the underlying gold futures contracts either “at-the-money,” slightly “out-of-the-money” or slightly “in-the-money.” This strategy is often referred to as “covered call writing.” If the futures contract is purchased simultaneously with writing the call option, the strategy is commonly referred to as a “buy-write.” If the futures contract is already an established position, it is commonly referred to as an “overwrite.” In either case, the long futures contract fully collateralizes or “covers” the obligation conveyed by writing a call option contract.

Though the covered call can be utilized in any market condition, it is most often employed when the investor, while bullish on the underlying asset, feels that the asset’s market value will experience little range over the lifetime of the call contract. The investor desires to either generate additional income apart from appreciation in the value of the underlying asset, and/or provide a limited amount of protection against a decline in the underlying asset value. While this strategy can offer limited protection from a decline in price of the underlying asset and limited profit participation with an increase in asset’s price, it generates income because the investor keeps the premium received from writing the call. At the same time, the investor benefits from maintenance of a long futures position in gold which is considered a “reserve asset,” unless assigned an exercise notice on the call and is obligated to sell the futures contract. The covered call is widely regarded as a conservative strategy because it decreases the risk of asset ownership.

Maximum profit for the covered call strategy occurs when the underlying asset is at or above the call option's strike price, either at its expiration or when a written call is assigned an exercise notice before it expires. The risk of financial loss with this strategy comes from the long gold futures position. This loss can become substantial if the gold futures price continues to decline in price as the written call expires. At the call's expiration, loss can be calculated as the current market price of the gold futures contract less its original purchase price, plus the premium received from initial sale of the call. Any loss accrued from a decline in the gold futures price is partially offset to the extent of the premium received from the written call option.

While managing the Gold Covered Call Writing program, the Advisor's opinion in the underlying position, whether more bullish or more bearish, may change before the call option expires. It is anticipated that in order to increase the upside potential of the program, when the underlying gold futures contract goes "into-the-money," the Advisor may at its discretion "roll" the covered call up and "overwrite" the option a higher strike price, or re-establish the strategy using a different delivery date futures contract and option series. Alternatively, if the underlying gold contract declines in price and the premium in the covered call option also declines, thereby reducing the effectiveness of the call option hedge, the Advisor may at its discretion "roll" the covered call down and "overwrite" the option a lower strike price, or re-establish the strategy using a different delivery date futures contract and option series. Under certain circumstances, the Advisor may decide to "collar" the underlying gold futures position by purchasing a put option in order to protect the long gold position from further decline. This is known as a "married put" position.

Investors in the Gold Covered Call Writing program should be aware that assignment on written options is always possible. As expiration day for the call option nears, the Advisor will need to consider different scenarios depending on whether the option is in-the-money, at-the-money or out-of-the-money. If the option is in-the-money at option expiration, it is highly probable that client accounts will be assigned an exercise notice on the written option and will be required to deliver the underlying futures position at the option's strike price. If the written option expires exactly at-the-money, assignment of an exercise notice on such a contract is possible, but should not be assumed. If the written option expires out-of-the-money, no action is necessary since it is unlikely that an exercise notice will be initiated. Under each of the scenarios described above, the Advisor at its discretion may choose to close out the option position with a closing purchase transaction prior to option expiration. It should be noted that since the Advisor does not control which client accounts are assigned an exercise notice, it is possible that some accounts may receive an assignment while other accounts do not. Under such circumstances, the Advisor will take appropriate action to realign positions in client accounts as quickly as possible.

The foregoing investment principles are factors upon which the Advisor bases its trading decisions for the Gold Covered Call Writing program. Such trading strategies have been and will be enhanced or revised from time to time. The research and trading methods of the Advisor are proprietary and confidential. The description of this program is, of necessity, general and is not intended to be exhaustive. As of the date of this Disclosure Document, the Advisor previously has not directed any accounts in the Gold Covered Call Writing program.

BACKGROUND AND HISTORY OF GOLD AS A RESERVE ASSET. Central banks, and official international institutions, have been major holders of gold for more than 100 years and are expected to retain large stocks in future. Central banks started building up their stocks of gold from the 1880s during the period of the classical gold standard. Under that system, for countries on the gold standard, the amount of money in circulation was linked to the country's gold stock, and paper money was convertible into gold at a fixed price. The rise in official gold stocks began during the period of economic nationalism between the two world wars. Up to that point, most gold had been held privately, circulating as currency among citizens and across borders in commercial trade transactions. Gold, which had been the foundation of the first genuinely international monetary system during the period before World War I, came to be used as a weapon in economic competition and national rivalries. In 1933-34, the United States under President Roosevelt devalued the dollar in terms of gold, raising the price from \$20.67 an ounce to \$35 an ounce. This new higher price caused holders of gold around the world to sell their holdings to the United States. At their peak in the 1960s, official gold stocks reached about 38,000 tonnes and probably accounted for about 50% of all above ground stocks.

Until the 1970s, central banks kept gold because, through the fixed official dollar price of gold and dollar convertibility, it was the foundation of the international monetary system. Although

there was no direct link between gold holdings and national money supplies (as there had been under the classic gold standard), gold was considered the primary “reserve asset.” Central banks could convert dollar balances into gold at the official price. So gold provided the “anchor” to which all currencies of member countries were linked, directly or indirectly. But gradually, as central banks created more money than was consistent with stable prices, and after several years of moderate but persistent inflation, the fixed official gold price again became unrealistic, and the United States, as the pivot of the system, was faced with the choice of deflating, devaluing or abandoning the system. In August 1971, it abandoned the system, with President Nixon “closing the gold window.” In the 1980s and 1990s central banks began re-appraising the role of gold in their external reserves. The movement to central bank independence and the more commercial attitude of their reserve managers led some of them to put more emphasis on the current yield on their reserve portfolios. In this environment, gold, as an asset that earns no interest, apart from a small return available from lending gold for those central banks willing to engage in the lending market, began to look vulnerable. Some central banks decided to reduce their gold holdings, and the total of official stocks declined by about 10% between 1980 and 1999.

In September 1999, a group of European central banks agreed, in the first Central Bank Gold Agreement (CBGA 1), to limit disposals to 400 tonnes a year for five years, and also set a ceiling on the volume of gold lent to the market. They also reaffirmed their confidence in the future of gold as a reserve asset. The agreement reassured the market about the intentions of central banks, since the signatories included those that had been seen as the most likely major sellers, and the price, which had reached a low of \$252 an ounce in July 1999, stabilized. CBGA 1 proved very successful and was renewed CBGA 2 for a further five year term in 2004. On August 7, 2009, the European Central Bank and 18 other central banks signed a 5-year extension of CBGA. The current CBGA caps sales at 500 tons a year and expires on September 26, 2009. The new CBGA extends the agreement for another 5 years—through 2014—with a ceiling of 400 tons per year.

2.4 Discretionary Portfolio Management

The Advisor, in combination with its Registered Investment Adviser (RIA) registration, offers an advisory service called Discretionary Portfolio Management. This service is designed to provide advice on hedging and/or speculative strategies using futures and options on futures in relation to the construction of each client’s underlying securities portfolio, as well as the client’s unique risk profile and return objective.

Clients should note that the Discretionary Portfolio Management advisory service involves trading in derivatives and is intended primarily for sophisticated investors. The Advisor will employ highly aggressive trading techniques—for both hedging and/or speculative purposes—including, but not limited to: outright futures, inter-delivery and inter-commodity spreads using futures and/or options, naked short options, and option spreads such as ratio writes, straddles, strangles, bear spreads, bull spreads and diagonal spreads, etc. The underlying assets upon which the Discretionary Portfolio Management advisory service will trade includes, but is not limited to: equity indices, fixed income, currencies, energies, metals, and agriculturals including grains, livestock and softs. While the overarching goal of the Advisor’s money management services is the capital appreciation of its clients’ investments, no assurance can be given that this objective will be met, and any investments in an account to be traded by the Advisor should only be considered by investors that can assume the significant risk of trading futures and options on futures, including losses in excess of their initial investments. Further, since futures and options trading is speculative, this advisory service is considered to be speculative.

Such advisory service will be managed in conjunction with the Advisor’s RIA registration as described by the Advisor’s RIA Disclosure Brochure. In order to participate in this advisory service, in addition to

receiving the Advisor's Commodity Trading Advisor (CTA) Disclosure Document, prospective clients will be required to receive the Advisor's RIA Disclosure Brochure and utilize the investment advisory services describe therein. Because the Discretionary Portfolio Management advisory service will provide customized hedging and/or speculative advice as described above, as well as the likelihood that such advice will be provided by different Associated Persons of the Advisor, it is anticipated that individual investors utilizing the Discretionary Portfolio Management advisory service will have materially different results from one another.

Taking into consideration the various influences on futures and option on futures price volatility as described in Section 3 Principal Risk Factors, it should be noted that the profitability of a client's participation in the Discretionary Portfolio Management advisory service will depend to a great extent upon the Advisor's Associated Person correctly assessing the future course of price fluctuations of the underlying asset as well as the futures and options on futures contracts that are intended to compliment the underlying securities portfolio. There can be no assurance that the Advisor's Associated Person will be able to predict accurately price movements. The success or failure of this advisory service will therefore depend upon the ability of the Advisor's Associated Person to trade profitably, with whom decisions with respect to the client's investments will be made.

It should be noted that since the performance of the futures account only reflects the performance of hedging and/or speculative activities in futures and options on futures, and not the underlying securities portfolio, there may be circumstances in which the futures account incurs substantial losses while the securities account incurs smaller gains, or the securities account incurs substantial losses while the futures account incurs smaller gains. It is also possible that both the futures and securities account may simultaneously incur substantial losses, depending on how the futures and options on futures trading strategies are deployed and how the underlying securities portfolio is constructed. Accordingly, clients need to consider the combined performance of both the futures and the securities accounts, and not just the performance of the futures account, when assessing the effectiveness of the Discretionary Portfolio Management advisory service.

The foregoing investment principles are factors upon which the Advisor bases its trading decisions for the Discretionary Portfolio Management advisory service. Such trading strategies have been and will be enhanced or revised from time to time. The research and trading methods of the Advisor are proprietary and confidential. The description of this program is, of necessity, general and is not intended to be exhaustive. As of the date of this Disclosure Document, the Advisor previously has not directed any accounts utilizing the Discretionary Portfolio Management advisory service.

2.5 Instruments, Order Entry and Allocations

The Advisor focuses its trading on a diversified portfolio of option on futures as described in Section 2.2 Diversified Options Strategy 1X and 2X, on gold futures and options on futures as described in Section 2.3 Gold Covered Call Writing, and on financial and commodity futures and options on futures as described Section 2.4 Discretionary Portfolio Management. Trading in futures and options on futures will primarily be on domestic exchanges, but the Advisor may trade on foreign exchanges and in forward contracts with domestic and foreign banks, as well as underlying spot or cash commodities. Part of such trading activities may include the use of spreads in the futures markets and between the futures and cash markets. The Advisor may under certain circumstances engage in trades involving the exchange of futures positions for cash commodities or forward contracts, sometimes referred to as exchanges for physicals ("EFP").

The Advisor reserves the right to add or delete instruments from its portfolio without prior notice to its clients. As the Advisor develops other trading programs, advisory services or begins trading in different markets, certain other principals or associated persons may join the Advisor and be involved with or responsible for trading in such other trading programs, advisory services or markets.

The Advisor employs an order entry system for client accounts based upon the size of the accounts and the instruments traded. No assurance is given that it will be possible to execute trades at or near the desired buy or sell prices. Furthermore, since both the prices and number of futures or options on futures contracts filled or executed by the broker are subject to prevailing market conditions over which the Advisor has no control, an objective price allocation system is employed by the Advisor. In the opinion of the Advisor, this allocation system is fair and equitable, and is consistently applied over all of the Advisor's managed accounts.

In an effort to increase the efficiency and quality of execution of trades, the Advisor may direct the orders to specific executing brokers on the various exchanges. The Advisor does not plan to exceed the use of four firms for executing trades. However, on occasion due to certain market conditions, the Advisor may exceed the use of four firms for executing trades. The Advisor reserves the right to establish relationships and enter into agreements on behalf of the client with one or more executing brokers and to trade all orders through such executing brokers. Furthermore, the Advisor may place orders for each account with a "block order" that will include all client accounts in which the same commodity is being traded. As a result, a client's account may be charged a "give-up" or "give-in" fee if the trade is executed through a brokerage firm/desk other than that at which the client's account is maintained (see Section 4.6 Executing Broker Fees).

With regard to the timing and manner of execution of trades, the Advisor may rely to some extent on the judgment of others, including floor brokers. For example, a floor broker may advise that an order to buy or sell 200 contracts of a particular contract be executed 20 or 30 contracts at a time in an effort to obtain the best price. The Advisor may or may not accept the advice given.

2.6 Broker, Account Size and Funding

The client is free to choose the Futures Commission Merchant or Introducing Broker with whom the client's account ("Account") will be maintained or introduced. Commissions will be paid by the Account on terms negotiated by the client with its clearing firm. The Advisor reserves the right to disapprove the clearing firm selected by the client, provided that the basis for disapproval is limited to: (i) commission costs, (ii) credit standing, or (iii) service and reputation. In respect to accounts managed by the Advisor, neither the Advisor nor any of its principals will participate directly in brokerage commissions of any Futures Commission Merchant or Introducing Broker. However, since Mr. Frankfurter is also an associated person of MARI, and the Advisor's administrative services office is located at the same address, the Advisor and Mr. Frankfurter may receive indirect compensation and/or other benefits such as office space, equipment, office supplies, and clerical services from MARI at a discounted rate (see Section 5 Conflicts of Interest).

The minimum account size for the Diversified Options Strategy 1X is \$50,000, provided however, that under certain circumstances the Advisor may in its sole discretion accept smaller accounts. The minimum account size for the Diversified Options Strategy 2X is \$25,000; the Advisor will not accept smaller accounts for this program. The minimum account size for the Gold Covered Call Writing program is \$50,000, provided however, that under certain circumstances the Advisor may in its sole discretion accept smaller accounts. The minimum account size for the Discretionary Portfolio Management advisory service is \$1,000,000 based on combined investment in both the securities and futures accounts, provided however, that under certain circumstances the Advisor may in its sole discretion accept smaller accounts. In order to achieve the objectives of the trading programs and advisory service, a continuous commitment for at least eighteen months is strongly recommended. Because of the substantial risks associated with the trading programs and advisory service, the Advisor may, in its sole discretion, decline to accept any person as a client, or increase its minimum account size for any of its programs.

All customer accounts opened, pursuant to an Advisory Notice published by the CFTC, must be documented by an agreement between the Advisor and its client specifying the “Nominal Account Size,” how margin qualifying assets would affect or be related to the Nominal Account Size, and how and to what extent the account will be funded with “Actual Funds.” Nominal Account Size is defined as the agreed level of trading irrespective of Actual Funds, and Actual Funds are defined as the margin-qualifying assets on deposit in a commodity interest account, generally cash and marketable securities including unrealized profits or losses on open positions. The Nominal Account Size shall be periodically increased to reflect profits and additions to the account, and decreased to reflect losses and withdrawals from the account. The amount by which the Nominal Account Size exceeds the amount of Actual Funds (including Committed Funds) shall be deemed “Notional Funds” as further described by Section 2.7 Special Disclosure for Notionally-Funded Accounts. If Notional Funds are zero, the Account contains an amount of Actual Funds equal to its Nominal Account Size and shall be deemed “Fully-Funded.” Notional Funds shall remain constant (irrespective of any profits or losses) unless the Advisor is notified otherwise in writing.

Actual Funds can include certain additional funds which are held in other account(s) identified by the client provided certain conditions evidencing accessibility and control are met. Such conditions include: (i) the client has the same ownership interest in each other account(s); (ii) the funds in other account(s) are available for transfer to the client’s trading account; (iii) the client has committed the funds in other account(s) to the control of the Advisor pursuant to a written, legally binding agreement to which the Futures Commission Merchant is also a signatory (the Advisor notes that under CFTC regulations the Advisor may not have actual possession of client funds); (iv) the Agreement for Advisory Management Services and Trading Level Agreement sets forth the maximum amount of funds in other accounts which are committed to the Advisor’s trading program, and authorizes the Futures Commission Merchant to transfer up to this amount to the client’s trading account at the direction of the Advisor; and (v) the client is able to demonstrate that funds committed to the Advisor’s control, as set forth in the Agreement for Advisory Management Services and Trading Level Agreement, were actually deposited in other account(s) to which the Advisor has access. Such Actual Funds as described in this paragraph shall be deemed “Committed Funds” by the Advisor. Verification of Committed Funds may be made through the Futures Commission Merchant by means of written confirmation to the Advisor.

All accounts advised by the Advisor may not have parallel performance due to different time-weighted beginning net asset values as a result of accrued profits, losses, additions and/or withdrawals to the account. Other factors affecting performance include, but is not limited to, partial allocations or splits fills of block orders, different times of market entry and/or execution, different negotiated commission rates, whether interest is earned on the account or not, different negotiated management and/or incentive fees, or whether the account is capitalized or exposed to a currency other than the US Dollar. For example, account size may have an effect on particular trading decisions such as relative size of positions taken, degree of diversification, and particular instruments traded. These factors could result in superior or inferior performance for either the larger or smaller accounts, depending upon the circumstances.

The Advisor will use its discretion to align new accounts, as well as accounts whose trading level has been increased or decreased pursuant to client instructions, or as a result of accrued profits or losses. While the Advisor’s objective is to ensure alignment of accounts in an orderly manner, in many situations it is imprudent to immediately align all positions without first considering the current risk-reward expectations of existing positions. Accordingly, new accounts and accounts which have been increased or decreased may not have the same positions as established accounts. Rather, alignment with established accounts’ open positions may occur in one day or take place over the course of eight weeks or more depending on market conditions. With respect to closing accounts, the Advisor as a matter of practice liquidates open positions within twenty-four (24) to

seventy-two (72) hours of receipt of account closing instructions. However, due to the potential for wide bid-ask spreads in certain open positions, the Advisor may recommend to the client that such positions are held to expiration. If in such cases the client still desires that all positions are immediately liquidated, the Advisor will liquidate such positions at-the-market.

Clients may withdraw capital from their account at any time. Although not required, the Advisor recommends that the client provide advance written notification of such intention. However, no withdrawal will be permitted which would reduce the equity in a client's account below a program's minimum account size, other than a withdrawal for the termination of such account or with the prior consent of the Advisor. If the client does not provide advance notice, the client's account could suffer unanticipated losses due to margin calls. Clients may add capital to their account at any time with the prior approval of the Advisor, and shall promptly notify the Advisor of any such intended action. In order to establish a different account traded pursuant to another program offered by the Advisor, the client must sign a new Advisory Agreement.

The Advisor will accept self-directed individual retirement accounts for the Diversified Options Strategy 1X, the Diversified Options Strategy 2X, the Gold Covered Call Writing program, and the Discretionary Portfolio Management advisory service. For self-directed individual retirement accounts, the portion of the account committed to margin generally will not exceed 50% of the beginning equity of the account for any given period. Further, the Advisor will cease trading the account if the account experiences a drawdown in excess of 50% of the account's current trading level. At such time, the client will be provided with the choice to either terminate the account and liquidate all positions, with such liquidation occurring as soon as administratively possible by the Advisor, or continue trading upon written instructions from the client. Due to the volatile nature of the futures and options on futures markets, the Advisor is unable to guarantee that any drawdown in the account can be limited to 50% of the beginning net asset value of the account for any given period.

2.7 Special Disclosure for Notionally-Funded Accounts

Some accounts managed by the Advisor may specify a Nominal Account Size which exceeds Actual Funds and are therefore referred to as "Notionally-Funded Accounts." The amount by which the Nominal Account Size exceeds the amount of Actual Funds (including Committed Funds) is deemed "Notional Funds." If Notional Funds are zero, the Account contains an amount of Actual Funds (including Committed Funds) equal to its Nominal Account Size and shall be deemed "Fully-Funded." Any amount of Notional Funds set forth in the Agreement for Advisory Management Services and Trading Level Agreement shall remain constant (irrespective of any profits or losses) unless the Advisor is notified otherwise in writing.

You should request the Advisor to advise you of the amount of Actual Funds (margin-qualifying assets on deposit in a commodity interest account, generally cash and marketable securities) which should be allocated to the Advisor's trading program and deposited in your Account to be considered "Fully-Funded" (defined as an account which contains an amount of Actual Funds equal to its Nominal Account Size). Such amount is the basis upon which the Advisor will determine the number of contracts traded in your account and should be an amount sufficient to make it unlikely that any further cash deposits would be required from you over the course of your participation in the Advisor's trading program. You are reminded that the Nominal Account Size you have agreed to in writing is not the maximum possible loss your account may experience.

You should consult your account statements received from your Futures Commission Merchant in order to determine the actual activity in your account, including profits, losses and the current cash equity balance. To the extent that the equity in your account is at any time less than the Nominal Account Size, you should be aware of the following:

1. Although your gains and losses, fees and commissions measured in dollars will be the same, they will be greater when expressed as a percentage of account equity.
2. You may receive more frequent and larger margin calls.

The Performance Matrix Table in the following section may be used to convert the rate of returns in the Capsule Performance Tables in Section 7 Program Performance and Section 9 Supplemental Information to the corresponding rate of returns for particular partial funding levels.

2.8 Performance Matrix Table

A prospective investor who plans to partially fund an account in lieu of providing full funding should first interpolate the rate of return information in the following table with respect to partial funding and to the impact of additional leverage on account volatility. The Performance Matrix Table illustrates the effect that different degrees of leverage can have on the actual rate of return.

PERFORMANCE MATRIX TABLE				
Range of monthly ROR's for Fully-Funded accounts as reflected in the above Capsule Performance Tables	Level of Funding (a)			
	100%	75%	50%	25%
Rates of return based on various funding levels (b)				
-30.00%.....	(30.00)	(40.00)	(60.00)	(120.00)
-20.00%.....	(20.00)	(26.67)	(40.00)	(80.00)
-15.00%.....	(20.00)	(26.67)	(40.00)	(80.00)
-10.00%.....	(10.00)	(13.33)	(20.00)	(40.00)
-5.00%.....	(5.00)	(6.67)	(10.00)	(20.00)
5.00%.....	5.00	6.67	10.00	20.00
10.00%.....	10.00	13.33	20.00	40.00
15.00%.....	15.00	20.00	30.00	60.00
20.00%.....	20.00	26.67	40.00	80.00
30.00%.....	30.00	40.00	60.00	120.00

- (a) "Level of Funding" represents the percentage of Actual Funds divided by the Fully-Funded trading level.
- (b) "Rates of return based on various funding levels" represents the rate of return experienced by a client at various levels of account funding. The rates of return for accounts that are not Fully-Funded are inversely proportional to the percentage level of funding.

2.9 Modifications to the Trading Programs

The investment methods associated with the three trading programs and advisory service described herein may be modified by the Advisor if it is determined that such change is in the best interest of the clients. Clients will be advised of any material change in trading methods and policies.

3. Principal Risk Factors

This section does not disclose all of the risks and other significant aspects of trading in futures and options on futures. Trading in futures and options on futures is not suitable for many members of the public. Investors should carefully consider all of the risk factors described in this section and elsewhere in this Disclosure Document before participating in the Advisor's trading programs or advisory service, and whether any of these trading programs or advisory service is appropriate for them in light of their experience, objectives, financial resources and other relevant circumstances.

3.1 Speculation: Volatility and Leverage

Trading in futures and options on commodities and financial assets has traditionally been a highly speculative venture and one suitable only for investors who have been able to risk the loss of their entire investment. The price of derivatives on commodities and financial assets can make substantial moves in short periods of time. Prices are influenced by, among other things: supply and demand relationships; government agricultural, fiscal, monetary, trade or regulatory policies; changes in foreign exchange and interest rates; and domestic and international political and/or economic events; as well as emotions of the marketplace. For example, the supply of agricultural commodities can instantly be altered by unexpected weather events or outbreaks of plant diseases or insect attacks. Taking into consideration such influences on price volatility, the profitability of the client's investment will depend to a great extent upon the Advisor correctly assessing the future course of price fluctuations of the futures and options contracts that comprise the trading program. There can be no assurance that the Advisor will be able to predict accurately price movements. The success or failure of the trading program will depend upon the ability of the Advisor to trade profitably, with whom all decisions with respect to the client's investments will be made.

Furthermore, the potential for substantial profits and losses in trading futures and options on commodities and financial assets are a factor of the extremely high leverage that is available in these markets. As a consequence, a relatively small price move can dramatically impact a margin account. For example, if the initial margin deposit for a corn contract is 3% of the face value of the underlying corn, then an adverse price move of 4% would result in a total loss in excess of the initial margin deposit. Therefore, the maintenance of reserve funds is important in futures and options trading to help absorb short-term trading losses so as to not effect potential long-term investment growth of the Account (see Section 2.8 Performance Matrix Table for the effects of volatility and leverage on trading performance). Also, each prospective client should carefully read the COMMODITY ACCOUNT RISK DISCLOSURE STATEMENT and FOREIGN FUTURES AND OPTIONS RISK DISCLOSURE STATEMENT on pages 2 and 3 of this Disclosure Document.

Futures and options trading is speculative and involves a high degree of risk and may result in substantial losses, including losses in excess of the amounts committed to the Account.

3.2 Margin and Maintenance Requirements

Initial margin is the minimum amount of cash and marketable securities that must be deposited by an investor with his commodity broker (i.e., Futures Commission Merchant) in order to initiate trading. The maintenance level is the amount to which an investor's account may decline before depositing additional margin. In the futures markets, unlike securities, margin is similar to a cash performance bond and represents a security deposit that helps assure the trader's performance of the futures or options contract; it does not represent payment of any portion of the purchase price of the underlying commodity or financial asset.

Futures contracts are customarily bought and sold on initial margin that generally range from less than 2% to approximately 15% of the value of the contract being traded. Margin requirements for option contracts depend on the type and complexity of the position. Due to these low margin requirements, the price fluctuations occurring in futures and options on futures may create profits and losses that are greater than are customary in other forms of investment or speculation relative to the level of funding, and may result in losses in excess of the amount invested.

When the market value of a particular open position changes to a point where the margin on deposit in a participating customer's account does not satisfy the applicable maintenance margin requirement imposed by the Futures Commission Merchant, the customer, and not the Advisor, will receive a margin call. If the customer does not satisfy the margin call within a reasonable time (which may be as

brief as a few hours) the Futures Commission Merchant will close out the customer's open positions. In periods of high volatility, the Futures Commission Merchant may elect to increase the amount of margin they require to carry futures and/or options positions for their customers.

3.3 Price Limits and Trading Liquidity

Most United States commodity exchanges limit price fluctuations in certain commodity interest contracts during a single day by means of "daily price fluctuation limits" or "daily limits." The daily price limits dictate the maximum amount the price of a futures contract may vary either up or down from the previous day's closing price. Once that daily limit has been reached, no trades may be made at a price beyond the limit. Positions in the commodity can then be taken or liquidated only if traders are willing to trade at prices within that day's limit. Because the daily limit only affects price movement for a particular trading day, it affords protection only against losses which may occur during that trading day. Such daily price limits do not protect investors for the longer term as it is possible for prices to move the daily limit for several consecutive days with little or no trading taking place, possibly preventing the Advisor with a losing position from promptly liquidating that position and subjecting the participating customer to substantial losses that could exceed the margin initially committed to his/her account.

Another instance of difficult or impossible execution occurs in markets which lack sufficient trading liquidity. The liquidity in markets changes over time and may impact the Advisor's selection of commodities (see Section 2.5 Instruments, Order Entry and Allocations). Though the Advisor intends to purchase and sell liquid futures and options contracts, no assurance can be given that the Advisor's orders will be executed at or near the desired price. Further, even if futures and options prices have not moved to the daily limit, the Advisor may be unable to execute trades at favorable prices if the volume of trading in the relevant contracts is not adequate. The Advisor may not be able to purchase or sell options on futures contracts on an intra-day basis at a desired strike price if price movements have brought the futures price outside the range of listed strike prices. It is also possible for an exchange or the CFTC to suspend trading in a particular contract, order immediate settlement of a particular contract or that trading in a particular contract be conducted for liquidation only (e.g., during periods in October 1987, trading in certain stock index futures and options was suspended as a result of market turbulence).

3.4 Domestic/Foreign Exchanges and Clearinghouse Systems

Commodity exchanges provide centralized market facilities for trading futures and options contracts. The principal exchanges in the United States include but are not limited to the Chicago Mercantile Exchange (CME) which includes the International Monetary Market (IMM), Chicago Board of Trade (CBOT), Chicago Board Options Exchange (CBOE), New York Mercantile Exchange (NYMEX), and Eurex US. Each futures exchange may have its own clearing-house. The clearinghouse is responsible for settling trading accounts, clearing trades, collecting and maintaining margin monies, regulating delivery and reporting trading data. Clearinghouses act as third parties to all futures and options contracts—as a buyer to every clearing member seller and a seller to every clearing member buyer.

All members of an exchange are required to clear their trades through the clearinghouse at the end of each trading session and to deposit with the clearinghouse a sum of money (based on clearinghouse margin requirements) sufficient to cover the member's debit balance. Because all members are required to clear their trades through the clearinghouse and must maintain sufficient funds to cover their debit balances, the clearinghouse is responsible to all members for the fulfillment of the contracts. If a counterparty such as a Futures Commission Merchant, bank custodian, or clearinghouse defaults or becomes insolvent, customer funds held at such institutions may be at risk. The CFTC provides customer protection against insolvency losses, and special provisions in bankruptcy laws work with the segregation requirement to give customers a priority in the funds in segregation.

However, if a customer's Futures Commission Merchant fails to segregate customer funds, the customer may be subject to risk of loss of funds in the event of the Futures Commission Merchant's bankruptcy. Even if such funds are properly segregated, the customer may still be subject to a risk of a loss of his/her funds on deposit should another customer of the Futures Commission Merchant or the Futures Commission Merchant itself fail to satisfy deficiencies in such other customer's accounts.³

The Advisor will conduct trading activities primarily in futures and options contracts on exchanges in the United States. The Advisor, however, is not restricted to trading only on domestic exchanges and expects to also trade foreign futures and options contracts. Such trading could expose the investment to risks which are different in nature and/or degree from the risks inherent in domestic trading. Foreign trading is frequently less regulated and can involve the risk of default by the opposing party. Foreign trading can lack the financial security and benefits of the daily "marked-to-market" system provided by the clearinghouses of futures exchanges regulated by the CFTC, and such trading can lack the liquidity afforded by domestic exchanges. Furthermore, trading on foreign exchanges may also be more vulnerable to a variety of political influences and the possibility of direct government intervention. Futures contracts on foreign exchanges might not be considered to be "regulated futures contracts" for federal income tax purposes. Also, trading on foreign exchanges is generally conducted in currencies other than the United States dollar, such that any profits which the account might realize in such trading could be reduced or even eliminated as a result of adverse currency exchange rate changes.

The Advisor may also trade in the over-the-counter foreign exchange and financial derivatives markets. These markets may not have the safeguard mechanisms of a clearinghouse organization which, in effect, guarantees every exchange-traded instrument.

3.5 Insolvency Losses and Counterparty Risk

The futures industry's primary protection against customer insolvency losses is the Commodity Exchange Act's requirement that Futures Commission Merchants segregate customer funds from their own funds. Moreover, although a Futures Commission Merchant may commingle funds belonging to separate customers trading on U.S. futures exchanges, it may not use the funds of one customer to margin or guarantee the transactions of any other customer. As a result, Futures Commission Merchants must gross up customer funds by adding their own funds to segregation to cover customer debits and deficits. Furthermore, since futures markets are highly leveraged and volatile, Futures Commission Merchants that carry customer funds must calculate their segregation requirements daily and add additional funds, if necessary.

The segregation requirement also prohibits Futures Commission Merchants from commingling customer funds used for trading on U.S. futures exchanges with customer funds used for other transactions. For example, funds used for futures trading on foreign exchanges must be kept in a separate account, subject to a separate calculation (known as the secured amount) for the amount of funds that must be maintained. Since these funds are sent offshore and are subject to the vagaries of foreign insolvency laws, separating them from segregated funds ensures that a loss in the secured amount does not endanger the funds of customers trading in U.S. markets.

³ Bankruptcy law applicable to all U.S. futures brokers requires that, in the event of the bankruptcy of such a broker, all property held by the broker, including certain property specifically traceable to the customer, will be returned, transferred or distributed to the broker's customers only to the extent of each customer's pro-rata share of all property available for distribution to customers. If any futures broker retained by the customer were to become bankrupt, it is possible that the customer would not be able to recover any of his/her assets held by such futures broker, or be able to recover only a portion of his/her assets.

In contrast to exchange-traded futures and options contracts, over-the-counter instruments rely on the dealer or counterparty being contracted with to fulfill its contract. Failure by the counterparty to fulfill its contractual obligations could expose the client to unanticipated losses.

The client should familiarize themselves with the protections accorded money or other property they deposit for domestic and foreign transactions as well as over-the counter transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which the client may recover their money or property may be governed by specific legislation or local regulations. In some jurisdictions, property which had been specifically identifiable as the clients will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

3.6 Risks Associated with Options Trading

The Advisor will trade options on financial futures and commodity futures. Transactions in options carry a high degree of risk. Purchasers and sellers of options need to be familiar with the type of option (i.e., put or call) being traded and the associated risks, including the extent to which the value of the option must increase before the position becomes profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin. If the purchased options expire worthless, the investor will suffer a total loss of their investment. When purchasing deep out-of-the-money options, investors should be aware that the chance of such options becoming profitable is ordinarily remote.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller being obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

There are special risks associated with uncovered option writing, which exposes the investor to potentially significant loss. The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price. Prospective investors should note that the Advisor anticipates writing uncovered calls as part of its trading program.

As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument. Prospective investors should note that the Advisor anticipates writing uncovered puts as part of its trading program.

Uncovered option writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate futures or options positions in the investor's account with little or no prior notice in accordance with the investor's margin agreement.

For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited. Additionally, if a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration or assignment.

The writer of an American-style option is subject to being assigned an exercise at any time after the writer has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period.

3.7 Exchanges of Futures for Physicals

An exchange of futures for a physical commodity (“EFP”) involves simultaneous transactions in a cash commodity market and a futures market. EFPs are variously referred to among the different commodity exchanges as “exchange for physicals,” “against actuals,” “versus cash,” or “ex-pit trades.”

In an EFP transaction, a noncompetitive transfer occurs whereby one party buys the physical commodity and simultaneously sells or gives up a long futures contract(s), while the other party sells the physical commodity and simultaneously buys or receives a long futures contract(s). Subject to any applicable rules of commodity exchanges, the parties to an EFP privately negotiate the price of the exchanged futures position, the quantity of futures, the cash commodity to be exchanged, the price of the cash commodity, and other contractual terms such as grade or quality and delivery terms. The negotiated terms of the resulting EFP transaction may not be as favorable as a competitively executed futures contract.

Depending on the existing positions of the Advisor’s customers at the outset of the EFP transaction, the Advisor may liquidate the customer’s futures position, transfer the customer’s futures position to another trader, or create a futures position for the customer. Once the price and the quantity of the futures contract(s) have been set by the parties and an EFP has been accepted for clearing in the futures market, margin and delivery obligations of the parties arising from the EFP are not distinguishable from a futures contract executed on an exchange.

A futures contract position initiated through an EFP is subject to the same risks as any futures contract as described in this Disclosure Document. However, where a customer of the Advisor may become the owner of a physical commodity through an EFP, the customer will assume any and all risks involved with holding that physical commodity, including, but not limited to, fluctuations in the market value of that commodity, storage, costs, insurance, transaction costs and fees, and upon its sale, delivery costs.

3.8 Currency Exposure and Concentration Risk

The profit or loss of transactions in futures or options on futures denominated in a foreign currency will be affected by fluctuations in foreign exchange rates where there is a need to convert the currency denomination of the contract to another currency. Accordingly, profits which the customer’s account might realize as a result of trading in foreign currency denominated futures or options could be reduced or even eliminated as a result of an adverse change in exchange rates. Further, fluctuations in the value of foreign currency denominated margin-qualifying assets on deposit in the customer’s account could also reduce or even create a loss in the account.

The Advisor will trade various futures and options contracts in order to gain exposure to opportunities in a variety of actively traded markets, and to achieve a balance across economic sectors while simultaneously limiting, to the extent possible, undue concentration in any particular economic sector. The intent of such diversification is to increase opportunities for gain, decrease risk and provide more consistent returns. Due to the nature of the Advisor’s trading methods and the experience of its trading principal, the portfolio often may not be diversified; in fact, on occasion, there may be a heavy concentration of a given position or a position complex, which could result in a greater return or risk to the account.

3.9 Trading Facilities and Electronic Trading

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. The Advisor's ability to recover certain losses may be subject to varying limits on liability imposed by the system provided, the market, the clearinghouse and/or member firms.

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. The Advisor will undertake transactions on electronic trading systems and the customer will be exposed to risks associated with the system(s) including the failure of hardware and software. The result of any system failure may be that the Advisor's order is either not executed according to instructions or is not executed at all.

3.10 Risk-Reducing Orders or Strategies

The placing of certain contingent orders such as "stop-loss" or "stop-limit" orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Further, certain strategies using combinations of futures contracts or options on futures, such as "spread" and "straddle" positions, may be as risky as taking simple "long" or "short" positions.

3.11 Substantial Costs Associated with Investment

Each client is subject to brokerage commissions and fees which may become substantial depending on the level and frequency of trading activity. Accordingly, a client's account must earn sufficient trading profits to avoid depletion of assets due to such commissions and fees. The client, and not the Advisor, is directly responsible for paying all margins, options premiums, brokerage commissions, "give-up" charges, fees, expenses, and losses incurred in connection with transactions effected for the client's Account by the Advisor. No assurances can be given by the Advisor as to any minimum or maximum number of transactions which will be entered into for the client's Account during any period for which the account is managed by the Advisor.

Each Account is also subject to substantial advisory fees (see Section 4 Fee Calculations), including management fees payable irrespective of profitability in the Account, and performance fees payable on "New Net Profits" (as defined in Section 4.2 Incentive Fee). Because the Advisor will receive a performance fee (herein referred to as an "incentive fee") on New Net Profits, the Advisory may have an incentive to trade in a more speculative manner than it would otherwise were its advisory fees based solely on a percentage of assets under management. In addition, the Advisor will receive increased compensation with regard to unrealized appreciation as well as realized gains in the Account. Further, the incentive fee may result in substantially higher compensation to the Advisor than with alternative compensatory arrangements.

3.12 Increase in Assets May Reduce Returns

There appears to be a tendency in the managed futures industry for the rates of return achieved by Commodity Trading Advisors to decline as assets under management increase. The Advisor has not agreed to limit the amount of assets which it may manage. There can be no assurance whatsoever as to the effect an increase in assets under management will have on performance.

3.13 Taxation Matters: Consult Tax Advisor

The relevant tax laws related to an investment in the trading program are complex. Furthermore, different considerations apply to each investor depending on his or her particular circumstances, especially if the investor is a non-United States person. The Advisor does not provide or purport to provide tax advice to any prospective investor or existing client. Each prospective investor or existing client should consult his or her tax advisor as to the tax consequences of an investment in derivative contracts including futures and options on futures.

4. Fee Calculations

4.1 Management Fee

A component of the Advisor's compensation for the Diversified Options Strategy 1X will be a management fee of 1/8 of 1% per month (1.5% per annum) of "Net Assets" plus Notional Funds if any, calculated monthly but payable as of the end of each quarter. A component of the Advisor's compensation for the Diversified Options Strategy 2X will be a management fee of 1/6 of 1% per month (2% per annum) of "Net Assets" plus Notional Funds if any, calculated monthly but payable as of the end of each quarter. A component of the Advisor's compensation for the Gold Covered Call Writing program will be a management fee of 1/6 of 1% per month (2% per annum) of "Net Assets" plus Notional Funds if any, calculated monthly but payable as of the end of each quarter. The Advisor's compensation for the Discretionary Portfolio Management advisory service is described below in Section 4.3 Advisory Fees. Net Assets are defined as Actual Funds (including Committed Funds as described in Section 2.6 Broker, Account Size and Funding), less Account liabilities (including accrued commissions and unpaid advisory fees) as determined in accordance with generally accepted accounting principles under the accrual basis of accounting. Accrued management fees will be paid whether or not the Account has earned a profit for the quarter. Net Assets for reporting purposes and fee calculation shall be increased by profits, earned and accrued interest, and additions to the Account, and decreased by losses and withdrawals from the Account. For new Accounts the management fee shall be calculated on a pro rata basis as of the first trade date. To the extent that there are any additions or withdrawals during the month, the management fee shall be adjusted on a pro rata basis for such additions or withdrawals as of the date such additions or withdrawals are made. In the event the Agreement for Advisory Management Services is terminated, the management fee shall be calculated on a pro rata basis as of the date that the remaining positions in the account are liquidated.

If an account is not Fully-Funded, the management fee as a percentage of Net Assets will be higher than the management fee as a percentage of Net Assets plus Notional Funds. The management fee as a percentage of Net Assets may be determined by dividing (a) the dollar amount of the management fee based on Net Assets plus Notional Funds if any, by (b) the Net Assets in the account. For example, an account which is currently funded 50% with Net Assets and 50% with Notional Funds will be charged a management fee of 3% per annum as based on a percentage of the account's Net Assets, even though the management fee for such account is 1.5% per annum as based on a percentage of the account's Net Assets plus Notional Funds.

4.2 Incentive Fee

Another component of compensation for the Diversified Options Strategy 1X and the Diversified Options Strategy 2X will be a quarterly incentive fee of 20% of the "New Net Profits." New Net Profits are defined as the appreciation of the Net Assets over the previous highest amount of such Net Assets at the end of any prior quarter, adjusted to exclude any additions received or withdrawals distributed during the quarter. For purposes of calculating incentive fees, New Net Profits shall be calculated net of accrued unpaid management fees and incentive fees owed from prior quarters, but not accrued incentive fees for the current quarterly period being calculated. Incentive fees earned at the end of prior quarters do not reduce cumulative New Net Profits in subsequent quarterly periods; that is, the Advisor does not "claw-back" incentive fees calculated at the end of any applicable quarter. In the event the Agreement for Advisory Management Services is terminated, the quarterly incentive fee will be calculated on an entire quarter as if the quarter ended on the date that the remaining positions in the account are liquidated.

An alternative method for calculating incentive fees and which calculates the same result is as follows. New Net Profits is defined as the sum of (i) carry-forward losses if any, plus (ii) realized trading profits (losses) for the quarter, plus (iii) the change in unrealized trading profits (losses) on open positions, plus (iv) interest income earned or accrued by the Account, less (v) accrued commissions on open positions, less (vi) accrued management fees, less (vii) unpaid incentive fees owed from prior quarters. If the computation results in a loss, no incentive fee shall be owed the Advisor and the result shall be carry-forward as a loss until the calculation results in New Net Profits.

Neither the Gold Covered Call Writing program nor the Discretionary Portfolio Management advisory service shall receive an incentive fee.

4.3 Advisory Fee

The Advisor's compensation for the Discretionary Portfolio Management advisory service shall be calculated in accordance with the Advisor's RIA Disclosure Brochure and Discretionary Investment Advisory Agreement signed by the client. A description of these RIA advisory fees follows:

The client shall pay the Adviser a quarterly management fee in arrears for its services. The management fee will be based on the securities account asset value (i.e., fair market value of the portfolio under management as reflected on the client's brokerage statements) as of the last business day of each calendar quarter, and the futures account liquidating value (the aggregate of the securities and futures accounts shall herein this Section 4.3 Advisory Fee be referred to as "Account"), and will become due the following business day. All fees that have not been paid shall accrue to the benefit of the Adviser. The management fee will be paid whether or not the Account has earned a profit for the quarter. For new Accounts the management fee shall be calculated on a pro rata basis as of the date of the Discretionary Investment Advisory Agreement. Although advisory fees may vary depending on individual circumstances, the following annualized negotiable fee schedule will apply unless otherwise indicated:

Account Asset Value	Management Fee
On the first \$500,000	1.50% Annually (0.375% Quarterly)
Between \$500,001 and \$1,000,000	1.25% Annually (0.3125% Quarterly)
Over \$1,000,000	1.00% Annually (0.25% Quarterly)

The Adviser's fee will be debited from client's Account upon the custodian's receipt of an invoice from the Adviser. Clients may also pay the Adviser directly. If there is not adequate cash in the Account to pay the Adviser its fees, then it may be necessary to liquidate Account assets to cover those expenses, which may result in a loss to client. To the extent that there are any additions or withdrawals during the quarter, the management fee shall be adjusted on a pro rata basis for such additions or withdrawals as of the date such additions or withdrawals are made. In the event this Agreement is terminated by either party, the management fee shall be calculated on a pro rata basis as of the date termination occurred. Over the term of this Agreement, total fees paid for execution and supervision may result in payment of amounts in excess of trading costs that might have been paid on a per transaction basis. No portion of the Adviser's compensation for Discretionary Investment Advisory Service shall be based on capital gains or appreciation of the Account assets except as provided for under the Investment Advisers Act of 1940.

4.4 Fee Payment Method

The management fee and the incentive fee, as applicable to the Diversified Options Strategy 1X, Diversified Options Strategy 1X and Gold Covered Call Writing program, are due and payable upon the close of business on the last business day of each applicable calendar period. Shortly thereafter, the Advisor will prepare a schedule setting forth the amount of fees payable to the Advisor. This schedule will be forwarded to the client's Futures Commission Merchant or

Introducing Broker, who will deduct the advisory fees from the Account and pay such fees to the Advisor without further verification or authorization from the client. If any payment is made to the Advisor in respect to New Net Profits experienced by the Account, and the Account thereafter incurs a net loss for any subsequent quarter, the Advisor will retain the amount previously paid in respect to such New Net Profits, and will continue to receive and retain management fees regardless of whether any New Net Profits are earned.

The Advisor's fees for the Discretionary Portfolio Management advisory service are due and payable in accordance with the Advisor's RIA Disclosure Brochure and Discretionary Investment Advisory Agreement signed by the client. Such method is described above in Section 4.3 Advisory Fee.

4.5 Alternative Fee Arrangements

The Advisor reserves the right to negotiate alternative fee arrangements based upon the size of the client's account, investment objectives and other factors. Accordingly, no assurance can be given that the fees to be charged a particular client account will be more or less than the amount to be charged to any other client account managed by the Advisor. Negotiated alternative fee arrangements for the Diversified Options Strategy 1X will generally be in accordance with the following schedule as describe by the matrix below:

Management fee	1.5%	1%	0.5%	0%
Incentive fee	20%	25%	30%	35%

Negotiated alternative fee arrangements for Diversified Options Strategy 2X will generally be in accordance with the following schedule as describe by the matrix below:

Management fee	2%	1.5%	1%	0.5%
Incentive fee	20%	25%	30%	35%

No predefined alternative fee schedule/matrix for the Gold Covered Call Writing program has been established as of the date of this Disclosure Document. Negotiated alternative fee arrangements for the Discretionary Portfolio Management advisory service is described in Section 4.3 Advisory Fee.

4.6 Executing Broker Fees

As described in Section 2.5 Instruments, Order Entry and Allocations, the Advisor regularly directs order to specific executing brokers on various exchanges. Such executing brokers charge between \$2 and \$4 per round-turn (or \$1 and \$2 per side) per contract for "give-ups" in cases where the executing broker does not clear trades through the same clearing broker utilized by the client account, or "give-ins" in cases where the executing broker does clear the trades through the same clearing broker utilized by the client account. The Advisor reserves the right to participate in give-up or give-in fees charged by the executing broker, in an amount up to twenty-five cents per side. As of the date of this Disclosure Document the Advisor has not receive such rebates.

5. Conflicts of Interest

5.1 Actual or Potential Conflicts

The Advisor and its principals are subject to various actual or potential conflicts of interest arising out of their relationship with the client and others. These actual or potential conflicts include the following:

- A. The Advisor anticipates that it will act as the trading advisor for other accounts and commodity pools in the future. Its responsibilities to the client and to those other accounts, and the responsibilities that it may undertake in the future with respect to other managed accounts, may cause conflicts of interest; these potential conflicts include the possibility that such management could increase the level of competition for the same trades selected by the Advisor and could affect priorities of order entry.

- B. All open positions in accounts managed or controlled, directly or indirectly, by the Advisor and any person or persons who are acting with the Advisor pursuant to an express or implied agreement or understanding, will be aggregated for the purpose of determining commodity position limits (as determined by the CFTC and various commodity exchanges). Thus, the client might be unable to enter into or hold certain positions if such accounts traded by a person pursuant to such agreement or understanding would exceed the applicable limits.
- C. The Futures Commission Merchant or Introducing Broker (referred to in this paragraph as the “clearing firm”), selected by the client for the client’s Account, and its principals officers, directors, employees, agents, affiliates and independent Floor Brokers retained by the clearing firm, all may trade commodity interests for their own accounts from time to time. In addition, the clearing firm effects transactions for its customers other than the clients of the Advisor. Since the records of such trading are considered confidential and proprietary, they will not be made available for inspection to the Advisor or the Advisor’s clients except to the extent required by law. As the identities of the purchaser and seller are not disclosed until after a trade, it is possible that the clearing firm could effect transactions for clients of the Advisor in which the other parties to the transactions are the clearing firm or its principals, officers, directors, employees, agents, affiliates, customers or independent Floor Brokers. Accordingly, such person may also be in competition with the Advisor and its clients’ accounts and may seek execution of trading orders similar to those of the Advisor. Thus, transactions for the clearing firm and such persons may be effected at the same time similar trades are executed for the Advisor’s clients at less favorable prices. The clearing firm handling the orders will attempt to require that orders be transmitted and filled by the Floor Brokers in the sequence received, regardless of customer size or identity. The regulations of the various commodities exchanges prohibit a Floor Broker and a clearing firm which employs or retains him from crossing trades (taking the opposite position of a particular trade) between the customer, the Floor Broker and the clearing firm without prior permission from the customer. The clearing firm and its principals may receive a benefit from the interest income earned on any free credit balances in the accounts of the Advisor’s clients.
- D. The Advisor will receive its management fee as described herein even if the account is not profitable. In addition, the incentive fee arrangement entered into between the Advisor and its clients might create an incentive for the Advisor to make investments that are risky or speculative as the Advisor would be partaking in the net performance of the clients’ account(s). The Advisor believes that the terms of the Agreement for Advisory Management Services to be entered into between the client and the Advisor are fair and reasonable.
- E. The principals, members, directors, officers and employees of the Advisor, and the Futures Commission Merchant or Introducing Broker of the client, serve or may from time to time serve on various committees and boards of the U.S. commodity exchanges and the NFA, and assist in making rules and policies of those exchanges and the NFA. In these capacities, such persons have a fiduciary duty to, and are required to act in the best interests of, such organizations even if such action may be adverse to the interests of the Advisor or its clients.
- F. The Advisor may enter into arrangements with entities such as Commodity Pool Operators, Commodity Trading Advisors, Futures Commission Merchants or Introducing Brokers pursuant to which such entities introduce clients to the Advisor. In certain of such cases, the Advisor may share up to 20% of the fees paid by the client to the Advisor with the entity who introduced a client’s account to Diversified Options Strategy 1X or Diversified Options Strategy 2X. The Advisor currently has in place several such arrangements related to the Diversified Options Strategy 1X and Diversified Options Strategy 2X programs. With respect to the Gold Covered Call Writing program, the Advisor may share up to 50% of the fees paid by the client to the Advisor with the entity who introduced a client’s account to this program. As of the date of this Disclosure Document, the Advisor does not have in place any such arrangement related to the Gold Covered Call Writing program. The Advisor does not share any fees related to the Discretionary Portfolio Management advisory service.

- G. Certain client account(s) of the Advisor may be introduced by MARI of which Mr. Frankfurter is an associated person. Further, the Advisor's administrative services office and MARI are located at the same address. Neither the Advisor nor any of its principals, including Mr. Frankfurter, will participate directly in brokerage commissions of any client account introduced to the Advisor by MARI. However, the Advisor and Mr. Frankfurter may receive indirect compensation and/or other benefits such as office space, equipment, office supplies, and clerical services from MARI at a discounted rate. As a result, MARI and the Advisor may not necessarily be considered to have an arms length relationship. Therefore, the Advisor may decide to continue using MARI as the introducing broker of choice for its clients even at times when the Advisor believes that MARI's services may not be in the best interest of the client. Nevertheless, the Advisor will always keep the clients' best interests in mind and will not allow such "privileges" to inflict its decision-making.
- H. As described in Section 4.6 Executing Broker Fees, the Advisor reserves the right to participate in give-up or give-in fees charged by the executing broker, in an amount up to twenty-five cents per side. Potential conflicts include the possibility that such rebates could create an incentive for the Advisor to increase trading activity in its trading programs. As of the date of this Disclosure Document the Advisor has not receive such rebates.

5.2 Proprietary Accounts

You should be aware that the Advisor has not traded for its own account, but may do so in the future. The Advisor does, however, trade a personal account of a family member of the Advisor's principal trader. If requested, prospective and existing clients will be permitted to inspect the trading records of the principal trader's family member's account as well as any written policies related to the trading of this "non-customer" account.

The principals of the Advisor as well as the Advisor's officers and associated persons have in the past and will continue in the future to trade futures and options contracts as well as securities for their own accounts, and that the trading activity in their individual accounts may differ from the trading activity in any account managed by the Advisor. In fact, it is possible that the positions taken by the Advisor's principals, officers or associated persons for their individual accounts may not be held for the same period of time as, and may even be opposite to, those positions taken by the Advisor on behalf of its client accounts (e.g., the client's Account may be long corn whereas one of the principals of the Advisor is short corn in his individual account). Additionally, the principals or officers of the Advisor may be in competition with the client and may seek execution of trading orders similar to those of the client. Further, it is possible that the principals, officers or associated persons of the Advisor could enter trades for their individual accounts ahead of the trades entered by the Advisor on behalf of its clients. Thus, orders entered by the Advisor for client accounts might be affected when similar orders for the principals, officers or associated persons are executed (e.g., orders entered for the client's account are not executed or are executed at less favorable prices).

In certain cases the Advisor may place orders for the accounts of its principals, officers or associated persons, or if applicable, the Advisor's proprietary account as part of a "block order" with client accounts. In order to minimize this conflict, accounts of the Advisor, or Advisor's principals, officers or associated persons will be allocated price fills on the same basis as client accounts pursuant to the price allocation system described in Section 2.5 Instruments, Order Entry and Allocations.

No assurance may be given that the trading results in the accounts of the Advisor's principals, officers or associated persons, or the Advisor's proprietary account will be the same as the performance in any account managed by the Advisor. Because of the proprietary nature of the Advisor's trading records and those of its principals, officers or associated persons, prospective and existing clients will not be permitted to inspect such records, except as mentioned above with respect to the personal account of a family member of the Advisor's principal trader. However, the Advisor will review this policy on a case by case basis.

6. Litigation

THERE HAVE BEEN NO MATERIAL ADMINISTRATIVE, CIVIL OR CRIMINAL ACTIONS AGAINST THE ADVISOR OR ANY OF ITS PRINCIPALS WITHIN THE PAST FIVE YEARS.

7. Program Performance

THERE IS SUBSTANTIAL RISK INVOLVED IN INVESTING IN THE ADVISOR'S TRADING PROGRAMS. AN INVESTMENT IN EITHER TRADING PROGRAM IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY REVIEW FUTURES AND OPTIONS TRADING TO DETERMINE IF IT IS SUITABLE FOR YOU IN LIGHT OF YOUR INVESTMENT OBJECTIVES AND FINANCIAL CONDITION.

7.1 Diversified Options Strategy 1X

The following tables summarize, as of the date of this Disclosure Document, material information as required under the Commodity Exchange Act and regulations thereunder for the Diversified Options Strategy 1X (D1X) during the most recent five calendar years and the current year to date.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

D1X CAPSULE PERFORMANCE INFORMATION	
Name of Commodity Trading Advisor.....	Cervino Capital Management LLC
Name of the Offered Trading Program	Diversified Options Strategy 1X
Date Advisor began trading client accounts.....	January 2006
Inception of trading in Offered Trading Program.....	January 2006
Number of client accounts currently traded pursuant to the program	11
Total assets under management (Nominal Account Size) as of 30-Apr-10	\$4,929,241
Total nominal assets traded pursuant to the program as of 30-Apr-10.....	\$1,950,295
Total actual assets traded pursuant to the program as of 30-Apr-10.....	\$1,001,995
The largest monthly drawdown ⁽¹⁾	-5.48% (October 2008)
The worst peak-to-valley drawdown ⁽²⁾	-5.93% (Aug. 2008 – Oct. 2008)
Number of accounts traded that were closed with positive net performance.....	8
Range of returns experienced by profitable closed accounts.....	From 2.35% to 31.54%
Number of accounts traded that were closed with negative net performance.....	11
Range of returns experienced by unprofitable closed accounts	From -0.82% to -6.34%

(1) "Drawdown" is defined as losses experienced by any account included in the composite performance over a specified period.

(2) "Worst peak-to-valley drawdown" is defined as the greatest cumulative percentage decline in month-end net asset value due to losses sustained by any account included in the composite during a period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.

D1X CAPSULE PERFORMANCE TABLE						
Percentage Rate of Return (computed on a compounded monthly basis in accordance with the time-weighting method)	Monthly ROR of Program					
	2010	2009	2008	2007	2006	2004
January	0.09	1.38	0.77	-0.38	0.18	N/A
February	0.33	1.52	2.43	-4.11	0.76	N/A
March	0.26	-0.78	0.41	0.93	0.76	N/A
April	0.16	0.12	1.04	-0.79	0.25	N/A
May		-1.48	0.63	1.57	0.29	N/A
June		1.42	1.63	0.49	1.68	N/A
July		0.00	1.05	-1.59	1.47	N/A
August		-0.33	0.75	2.79	1.51	N/A
September		0.29	-0.48	1.50	0.77	N/A
October		-1.62	-5.48	2.00	0.01	N/A
November		1.68	0.37	2.41	1.77	N/A
December		0.97	0.69	2.71	0.46	N/A
Year	0.84	3.14	3.65	7.55	10.35	N/A

Upon request, the Advisor will make available to prospective and existing clients a composite performance table illustrating for all reporting periods: Beginning Net Asset Value of Actual Funds, Beginning Net Asset Value including Notional Funds, Additions, Withdrawals, Net Performance, Ending Net Asset Value including Notional Funds, and Period Rate of Return calculated in accordance with the time-weighting method.

7.2 Diversified Options Strategy 2X

The following tables summarize, as of the date of this Disclosure Document, material information as required under the Commodity Exchange Act and regulations thereunder for the Diversified Options Strategy 2X (D2X) during the most recent five calendar years and the current year to date. The Advisor previously has not directed any accounts in Diversified Options Strategy 2X.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

D2X CAPSULE PERFORMANCE INFORMATION	
Name of Commodity Trading Advisor	Cervino Capital Management LLC
Name of the Offered Trading Program	Diversified Options Strategy 2X
Date Advisor began trading client accounts.....	January 2006
Inception of trading in Offered Trading Program.....	January 2008
Number of client accounts currently traded pursuant to the program	56
Total assets under management (Nominal Account Size) as of 30-Apr-10	\$4,929,241
Total nominal assets traded pursuant to the program as of 30-Apr-10.....	\$2,718,114
Total actual assets traded pursuant to the program as of 30-Apr-10.....	\$752,510
The largest monthly drawdown ⁽¹⁾	-9.31% (October 2008)
The worst peak-to-valley drawdown ⁽²⁾	-10.24% (Aug. 2008 – Oct. 2008)
Number of accounts traded that were closed with positive net performance.....	24
Range of returns experienced by profitable closed accounts.....	From 0.11% to 22.04%
Number of accounts traded that were closed with negative net performance.....	26
Range of returns experienced by unprofitable closed accounts	From -0.17% to -9.59%

(1) "Drawdown" is defined as losses experienced by any account included in the composite performance over a specified period.

(2) "Worst peak-to-valley drawdown" is defined as the greatest cumulative percentage decline in month-end net asset value due to losses sustained by any account included in the composite during a period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.

D2X CAPSULE PERFORMANCE TABLE						
Percentage Rate of Return (computed on a compounded monthly basis in accordance with the time-weighting method)	Monthly ROR of Program					
	2010	2009	2008	2007	2006	2005
January	0.16	2.77	2.11	N/A	N/A	N/A
February	0.66	2.80	4.95	N/A	N/A	N/A
March	0.54	-1.17	0.69	N/A	N/A	N/A
April	0.22	0.19	2.39	N/A	N/A	N/A
May		-3.17	1.29	N/A	N/A	N/A
June		2.89	2.78	N/A	N/A	N/A
July		-0.04	1.84	N/A	N/A	N/A
August		-0.65	1.48	N/A	N/A	N/A
September		0.61	-1.02	N/A	N/A	N/A
October		-3.66	-9.31	N/A	N/A	N/A
November		3.27	0.68	N/A	N/A	N/A
December		1.84	1.24	N/A	N/A	N/A
Year	1.59	5.51	8.76	N/A	N/A	N/A

Upon request, the Advisor will make available to prospective and existing clients a composite performance table illustrating for all reporting periods: Beginning Net Asset Value of Actual Funds, Beginning Net Asset Value including Notional Funds, Additions, Withdrawals, Net Performance, Ending Net Asset Value including Notional Funds, and Period Rate of Return calculated in accordance with the time-weighting method.

7.3 Gold Covered Call Writing

The following tables summarize, as of the date of this Disclosure Document, material information as required under the Commodity Exchange Act and regulations thereunder for the Gold Covered Call Writing (GCW) program during the most recent five calendar years and the current year to date.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

GCW CAPSULE PERFORMANCE INFORMATION	
Name of Commodity Trading Advisor	Cervino Capital Management LLC
Name of the Offered Trading Program	Gold Covered Call Writing
Date Advisor began trading client accounts	January 2006
Inception of trading in Offered Trading Program	November 2009
Number of client accounts currently traded pursuant to the program	4
Total assets under management (Nominal Account Size) as of 30-Apr-10	\$4,929,241
Total nominal assets traded pursuant to the program as of 30-Apr-10	\$260,832
Total actual assets traded pursuant to the program as of 30-Apr-10	\$110,832
The largest monthly drawdown ⁽¹⁾	-3.33% (December 2009)
The worst peak-to-valley drawdown ⁽²⁾	-3.33% (December 2009)
Number of accounts traded that were closed with positive net performance	0
Range of returns experienced by profitable closed accounts	Not Applicable
Number of accounts traded that were closed with negative net performance	0
Range of returns experienced by unprofitable closed accounts	Not Applicable

(3) "Drawdown" is defined as losses experienced by any account included in the composite performance over a specified period.

(4) "Worst peak-to-valley drawdown" is defined as the greatest cumulative percentage decline in month-end net asset value due to losses sustained by any account included in the composite during a period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.

GCW CAPSULE PERFORMANCE TABLE						
Percentage Rate of Return (computed on a compounded monthly basis in accordance with the time-weighting method)	Monthly ROR of Program					
	2010	2009	2008	2007	2006	2005
January	1.43	N/A	N/A	N/A	N/A	N/A
February	5.48	N/A	N/A	N/A	N/A	N/A
March	0.17	N/A	N/A	N/A	N/A	N/A
April	2.19	N/A	N/A	N/A	N/A	N/A
May		N/A	N/A	N/A	N/A	N/A
June		N/A	N/A	N/A	N/A	N/A
July		N/A	N/A	N/A	N/A	N/A
August		N/A	N/A	N/A	N/A	N/A
September		N/A	N/A	N/A	N/A	N/A
October		N/A	N/A	N/A	N/A	N/A
November		4.99	N/A	N/A	N/A	N/A
December		-3.33	N/A	N/A	N/A	N/A
Year	9.52	1.49	N/A	N/A	N/A	N/A

Upon request, the Advisor will make available to prospective and existing clients a composite performance table illustrating for all reporting periods: Beginning Net Asset Value of Actual Funds, Beginning Net Asset Value including Notional Funds, Additions, Withdrawals, Net Performance, Ending Net Asset Value including Notional Funds, and Period Rate of Return calculated in accordance with the time-weighting method for the periods November and December 2009, and the only accounts traded method for all periods thereafter starting in January 2010.

8. Advisory Performance

THERE IS SUBSTANTIAL RISK INVOLVED IN INVESTING IN THE ADVISOR'S TRADING PROGRAMS. AN INVESTMENT IN EITHER TRADING PROGRAM IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY REVIEW FUTURES AND OPTIONS TRADING TO DETERMINE IF IT IS SUITABLE FOR YOU IN LIGHT OF YOUR INVESTMENT OBJECTIVES AND FINANCIAL CONDITION.

8.1 Discretionary Portfolio Management

The following tables summarize, as of the date of this Disclosure Document, material information as required under the Commodity Exchange Act and regulations thereunder for the Discretionary Portfolio Management (DPM) advisory service during the most recent five calendar years and the current year to date. Since the Discretionary Portfolio Management advisory service is designed to implement hedging and/or speculative strategies customized to each investor's underlying securities portfolio, the Advisor anticipates that individual investors will have materially different results. Accordingly, a separate Capsule Performance Table reflecting each investor's individual performance is provided. Further, since the performance of the futures account only reflects the performance of hedging activities and not the underlying securities portfolio, the performance shown reflects combined performance of both the futures and the securities accounts.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

DPM CAPSULE PERFORMANCE INFORMATION	
Name of Commodity Trading Advisor	Cervino Capital Management LLC
Name of the Offered Trading Program	Discretionary Portfolio Management
Date Advisor began trading client accounts	January 2006
Inception of trading in Offered Trading Program	Advisor has not yet traded program

DPM CAPSULE PERFORMANCE INFORMATION (Cont'd)	
Number of client accounts currently traded pursuant to the program	0
Total assets under management (Nominal Account Size) as of 30-Apr-10	\$4,929,241
Total nominal assets traded pursuant to the program as of 30-Apr-10.....	\$0
Total actual assets traded pursuant to the program as of 30-Apr-10.....	\$0
The largest monthly drawdown ⁽¹⁾	Not Applicable
The worst peak-to-valley drawdown ⁽²⁾	Not Applicable
Number of accounts traded that were closed with positive net performance.....	0
Range of returns experienced by profitable closed accounts.....	Not Applicable
Number of accounts traded that were closed with negative net performance.....	0
Range of returns experienced by unprofitable closed accounts	Not Applicable

- (5) "Drawdown" is defined as maximum loss experienced by the combined performance of both the futures account and underlying securities portfolio over a specified period for an individual investor utilizing Discretionary Portfolio Management advisory service.
- (6) "Worst peak-to-valley drawdown" is defined as the greatest cumulative percentage decline in month-end net asset value due to losses sustained by the combined performance of both the futures account and underlying securities portfolio during a period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.

DPM CAPSULE PERFORMANCE TABLE – CLIENT #1						
Percentage Rate of Return (computed on a compounded monthly basis in accordance with the time-weighting method)	Monthly ROR of Program					
	2010	2009	2008	2007	2006	2005
January	N/A	N/A	N/A	N/A	N/A	N/A
February	N/A	N/A	N/A	N/A	N/A	N/A
March.....	N/A	N/A	N/A	N/A	N/A	N/A
April	N/A	N/A	N/A	N/A	N/A	N/A
May.....		N/A	N/A	N/A	N/A	N/A
June.....		N/A	N/A	N/A	N/A	N/A
July		N/A	N/A	N/A	N/A	N/A
August		N/A	N/A	N/A	N/A	N/A
September		N/A	N/A	N/A	N/A	N/A
October		N/A	N/A	N/A	N/A	N/A
November		N/A	N/A	N/A	N/A	N/A
December		N/A	N/A	N/A	N/A	N/A
Year.....	N/A	N/A	N/A	N/A	N/A	N/A

Because of privacy policy considerations, prospective and existing clients will not be permitted to inspect the records of individual investor's futures account and/or underlying securities portfolio which utilizes the Discretionary Portfolio Management advisory service.

9. Supplemental Information

NO REPRESENTATION IS BEING MADE THAT AN ACCOUNT WILL OR IS LIKELY TO ACHIEVE RESULTS SIMILAR TO THOSE SHOWN IN THE CAPSULE PERFORMANCE INFORMATION AND TABLES BELOW. IT IS IMPORTANT THAT EACH PROSPECTIVE CLIENT CAREFULLY REVIEW THE INFORMATION PRESENTED BELOW WITH RESPECT TO THE PAST PERFORMANCE OF KENSINGTON CAPITAL MANAGEMENT LLC, THE PERSONAL ACCOUNT OF DAVIDE ACCOMAZZO AND THE ADVISOR'S COMMODITY OPTIONS PROGRAM WHICH HAS CEASED TRADING.

9.1 Commodity Options Program

The following tables summarize, as of the date of this Disclosure Document, material information as required for the Commodity Options Program (COP) during the most recent five calendar years and the current year to date. This program closed in October 2008 and no longer accepts accounts.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

COP CAPSULE PERFORMANCE INFORMATION	
Name of Commodity Trading Advisor	Cervino Capital Management LLC
Name of the Offered Trading Program	Commodity Options Program
Date Advisor began trading client accounts	January 2006
Inception of trading in Offered Trading Program	July 2007
Number of client accounts historically traded pursuant to the program	10; program closed
Total assets under management (Nominal Account Size) as of 30-Apr-10	\$4,929,241
Total nominal assets traded pursuant to the program	\$0; ceased trading
Total actual assets traded pursuant to the program	\$0; ceased trading
The largest monthly drawdown ⁽¹⁾	-6.68% (February 2008)
The worst peak-to-valley drawdown ⁽²⁾	-11.02% (Nov. 2007 – Oct. 2008)
Number of accounts traded that were closed with positive net performance	1
Range of returns experienced by profitable closed accounts	3.93%
Number of accounts traded that were closed with negative net performance	9
Range of returns experienced by unprofitable closed accounts	From -2.89% to -8.90%

(3) "Drawdown" is defined as losses experienced by any account included in the composite performance over a specified period.

(4) "Worst peak-to-valley drawdown" is defined as the greatest cumulative percentage decline in month-end net asset value due to losses sustained by any account included in the composite during a period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.

COP CAPSULE PERFORMANCE TABLE						
Percentage Rate of Return (computed on a compounded monthly basis in accordance with the time-weighting method)	Monthly ROR of Program					
	2008	2007	2006	2005	2004	2003
January	0.37	N/A	N/A	N/A	N/A	N/A
February	-6.68	N/A	N/A	N/A	N/A	N/A
March	-0.86	N/A	N/A	N/A	N/A	N/A
April	-0.48	N/A	N/A	N/A	N/A	N/A
May	1.12	N/A	N/A	N/A	N/A	N/A
June	1.66	N/A	N/A	N/A	N/A	N/A
July	3.62	-0.70	N/A	N/A	N/A	N/A
August	-1.56	-4.02	N/A	N/A	N/A	N/A
September	-4.66	5.33	N/A	N/A	N/A	N/A
October	-2.32	1.14	N/A	N/A	N/A	N/A
November	N/A	3.08	N/A	N/A	N/A	N/A
December	N/A	-1.40	N/A	N/A	N/A	N/A
Year	-9.76	3.19	N/A	N/A	N/A	N/A

Upon request, the Advisor will make available to prospective and existing clients a composite performance table illustrating for all reporting periods: Beginning Net Asset Value of Actual Funds, Beginning Net Asset Value including Notional Funds, Additions, Withdrawals, Net Performance, Ending Net Asset Value including Notional Funds, and Period Rate of Return calculated in accordance with the time-weighting method.

9.2 Past Performance of Kensington Capital Management LLC

The following tables reflect the composite performance of accounts managed by Kensington Capital Management, LLC from its inception in May 2001 through August 2004. Kensington Capital Management, LLC (“KCM”) was a California limited liability corporation whose sole principal was Davide Accomazzo. KCM became registered with the CFTC on April 4, 2001 as a Commodity Trading Advisor. KCM conducts research and development of proprietary trading programs and systems, and was engaged in the business of trading individual accounts on behalf of clients until August 2004 when it ceased trading accounts for clients. On November 28, 2004, KCM withdrew its registration as a Commodity Trading Advisor.

The various accounts managed by KCM may not have had parallel performance due to the different periods during which the accounts were active, varying account size, the rate of brokerage commissions charged to an account, and market liquidity impacting orders and the number of contracts executed for clients. The performance data in the following capsules were prepared by Michael Coglianesse of CCS Financial Services, Inc., but are unaudited.

No representation is being made that accounts previously managed by KCM and its trading principal, Davide Accomazzo, will result in similar performance in the future for accounts managed by the Advisor (i.e., Cervino Capital Management LLC). In fact the trading program of the Advisor, while based on certain trading methods of KCM, is dissimilar in other respects. For example, a component of KCM’s trading encompassed the trading of outright currency futures, which is not a strategy utilized by the Advisor. Concurrently, KCM was also engaged in the writing of “naked” options on the S&P 500 futures contract, which is a strategy that the Advisor sometimes employs.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

KCM CAPSULE PERFORMANCE INFORMATION	
Name of Commodity Trading Advisor	Kensington Capital Management LLC
Name of the Offered Trading Program	Composite Customer Program
Date KCM began trading client accounts.....	May 2001
Date KCM ceased trading client accounts	August 2004
Total number of client accounts historically traded since inception	9; program closed
Total assets under management (Nominal Account Size)	\$0; ceased trading
Total assets under management (Actual Funds))	\$0; ceased trading
The largest monthly drawdown ⁽¹⁾	(6.84%); March 2002
The worst peak-to-valley drawdown ⁽²⁾	(16.82%); June 2002 – Nov. 2002
Number of accounts traded that were closed with positive net performance	8
Range of returns experienced by profitable accounts	0.30% to 30.94%
Number of accounts traded that were closed with negative net performance.....	1
Range of returns experienced by unprofitable accounts	(12.02%)

- (1) “Drawdown” is defined as losses experienced by any account included in the composite performance over a specified period.
- (2) “Worst peak-to-valley drawdown” is defined as the greatest cumulative percentage decline in month-end net asset value due to losses sustained by any account included in the composite during a period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.

KCM CAPSULE PERFORMANCE TABLE						
Percentage Rate of Return (computed on a compounded monthly basis in accordance with the time-weighting method)	Monthly ROR of Program					
	2004	2003	2002	2001	2000	1999
January	0.57	3.26	3.91	N/A	N/A	N/A
February	(3.55)	(3.60)	0.30	N/A	N/A	N/A
March.....	1.19	(5.56)	(6.84)	N/A	N/A	N/A
April	1.70	2.18	6.11	N/A	N/A	N/A
May.....	(3.18)	2.56	3.11	(1.19)	N/A	N/A
June.....	(1.94)	0.93	6.73	(0.56)	N/A	N/A
July	0.82	(0.41)	(6.62)	0.57	N/A	N/A
August	(2.79)	(0.26)	(1.21)	1.54	N/A	N/A
September	N/A	8.56	(5.11)	(1.55)	N/A	N/A
October.....	N/A	(0.73)	(1.69)	(1.79)	N/A	N/A
November	N/A	(0.94)	(3.33)	2.82	N/A	N/A
December	N/A	6.61	7.96	2.56	N/A	N/A
Year.....	(7.12)	12.40	1.88	2.31	N/A	N/A

Upon request, the Advisor will make available to prospective and existing clients a composite performance table illustrating for all reporting periods: Beginning Net Asset Value of Actual Funds, Beginning Net Asset Value including Notional Funds, Additions, Withdrawals, Net Performance, Ending Net Asset Value including Notional Funds, and Period Rate of Return calculated in accordance with the time-weighting method.

9.3 Past Performance of Davide Accomazzo's Personal Account

The following tables reflect the composite performance of Mr. Davide Accomazzo's personal account from its inception in March 1998 through August 2004. This account traded a similar strategy as the customer accounts of KCM, but with higher leverage. The Capsule Performance Table shows pro-forma calculations, which report performance net of all fees including hypothetical 3% management fee and 30% incentive fee. The performance data in the following capsules were prepared by Michael Coglianesi of CCS Financial Services, Inc., but are unaudited.

No representation is being made that the performance of Davide Accomazzo's personal account will result in similar performance in the future for accounts managed by the Advisor (i.e., Cervino Capital Management LLC). In fact the trading program of the Advisor, while based on certain trading methods Davide Accomazzo utilized for his personal account, is dissimilar in other respects. For example, a component of Davide Accomazzo's trading for his personal account encompassed the trading of outright currency futures, which is not a strategy utilized by the Advisor. Concurrently, Davide Accomazzo for his personal account was also engaged in the writing of "naked" options on the S&P 500 futures contract, which is a strategy that the Advisor sometimes employs.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

ACCOMAZZO CAPSULE PERFORMANCE INFORMATION	
Date Davide Accomazzo began trading personal account.....	March 1998
Date Davide Accomazzo ceased trading personal account	August 2004
Total assets in account (Nominal Account Size).....	\$0; ceased trading
Total assets in account (Actual Funds).....	\$0; ceased trading
The largest monthly drawdown ⁽¹⁾	(9.84%); March 2003
The worst peak-to-valley drawdown ⁽²⁾	(24.43%); June 2002 – Nov. 2002

- (1) "Drawdown" is defined as losses experienced by any account included in the composite performance over a specified period.
- (2) "Worst peak-to-valley drawdown" is defined as the greatest cumulative percentage decline in month-end net asset value due to losses sustained by any account included in the composite during a period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.

ACCOMAZZO CAPSULE PERFORMANCE TABLE								
Percentage Rate of Return (computed on a compounded monthly basis in accordance with the time-weighting method)	Monthly ROR of Program							
	2004	2003	2002	2001	2000	1999	1998	1997
January	(0.39)	4.78	3.38	4.48	5.62	5.09	N/A	N/A
February	(5.88)	(7.57)	2.23	(3.72)	3.01	3.02	N/A	N/A
March.....	(0.65)	(9.84)	(8.53)	19.13	2.58	4.54	0.70	N/A
April	4.21	1.91	8.82	(2.04)	(8.03)	3.73	6.72	N/A
May.....	(3.08)	6.35	2.16	(0.15)	3.38	8.84	1.49	N/A
June.....	(4.94)	2.43	7.45	(4.30)	6.61	4.40	7.70	N/A
July	1.03	(0.85)	(9.59)	(0.96)	0.63	0.48	(2.36)	N/A
August	(5.42)	(1.05)	(2.42)	2.35	3.19	3.78	1.91	N/A
September	N/A	6.90	(8.58)	(6.23)	2.12	3.87	9.25	N/A
October	N/A	(2.13)	(2.36)	(0.17)	3.46	(2.40)	8.41	N/A
November	N/A	(0.86)	(4.03)	6.65	0.13	7.01	3.07	N/A
December	N/A	12.48	16.61	3.06	15.28	2.40	7.16	N/A
Year.....	(14.54)	10.95	1.77	17.01	43.26	54.53	52.90	N/A

Upon request, the Advisor will make available to prospective and existing clients a composite performance table illustrating for all reporting periods: Beginning Net Asset Value of Actual Funds, Beginning Net Asset Value including Notional Funds, Additions, Withdrawals, Net Performance, Ending Net Asset Value including Notional Funds, and Period Rate of Return calculated in accordance with the time-weighting method.