COMMODITY TRADING ADVISOR DISCLOSURE DOCUMENT

FOR

**Schindler Capital Management, LLC**
**22843 Cedar Lane**
**Fergus Falls, Minnesota 56537**
**218-531-9897**
**dan@schindlercapital.com**

# Advantage Programs

**THE COMMODITY FUTURES TRADING COMMISSION HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN THIS TRADING PROGRAM NOR HAS THE COMMISSION PASSED ON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.**

The date of this disclosure document is **May 31, 2018**
This Disclosure Document is considered outdated after May 30, 2019

The delivery of this Disclosure Document at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above.

No person or entity is authorized to give any information or make any representation not contained in this Disclosure Document in connection with the matters described herein, and, if given or made, such information or representation must not be relied upon as having been authorized by Schindler Capital Management, LLC.

## RISK DISCLOSURE STATEMENT

**THE RISK OF LOSS IN TRADING COMMODITY INTERESTS 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:**

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

**IF YOU PURCHASE OR SELL A COMMODITY FUTURES CONTRACT OR SELL A COMMODITY OPTION OR ENGAGE IN OFF-EXCHANGE FOREIGN CURRENCY TRADING YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS OR SECURITY DEPOSIT 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 REQUIRED 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.**

**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".**

**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.**

**A "SPREAD" POSITION MAY NOT BE LESS RISKY THAN A SIMPLE "LONG" OR "SHORT" POSITION. THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY INTEREST 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, AT PAGE 8, A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR.**

**THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY INTEREST MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY INTEREST TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGE 10.**

**THIS COMMODITY 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 OR RETAIL FOREIGN EXCHANGE DEALER, AS APPLICABLE.**

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## THE TRADING ADVISOR

Schindler Capital Management, LLC (referred to as "the Advisor") is a Minnesota Limited Liability Company that was formed in August 2009 to provide capital appreciation to retail and institutional client accounts by managing their accounts pursuant to the Advisor's proprietary trading programs on commodity futures and commodity options. The Advisor was originally formed as a Wisconsin Limited Liability Company in August 2008 and was recognized in the state of Minnesota in August 2009. Although the risk of loss exists in futures and options on futures trading, the Advisor studies the futures markets with the goal of developing strategic investment approaches to add positive performance to investment portfolios.

Schindler Capital Management, LLC registered with the Commodities Futures Trading Commission ("CFTC") as a commodity trading advisor ("CTA") on June 17, 2009 and became a Member of National Futures Association ("NFA") on June 30, 2009. The Advisor's NFA I.D. # is 410568.

The Advisor's contact information is:

Schindler Capital Management, LLC
22843 Cedar Lane
Fergus Falls, MN 56537
Telephone: 218-531-9897
Email: dan@schindlercapital.com

The Advisor's principal and registered associated person is Daniel Scott Schindler. Mr. Schindler is responsible for the Advisor's overall operations and making all trading decisions for the advisor. A biographical description of Mr. Schindler is presented below under "Business Background of the Principal".

The Advisor currently does not trade commodity futures for its own account, however reserves the right to do so in the future. Trading activity in the Advisor's commodity futures account along with any written policies related to such trading will be made available for client inspection. Furthermore, no client will be permitted to review other clients' records.

## BUSINESS BACKGROUND OF THE PRINCIPAL

**Daniel Scott Schindler** was born in 1966 and is the sole principal, registered associated person, and managing member of the Advisor. He is responsible for all trading decisions and the general management of the firm. Mr. Schindler earned a Bachelor of Science degree in Applied Mathematics from the University of Wisconsin-Stout in 1991. In February 2004, Mr. Schindler co-founded KDM Trading, Inc., a registered introducing broker and Member of NFA. Mr. Schindler is a full-time futures trader and broker at KDM Trading, Inc., holding the position of Vice President. Mr. Schindler has been a listed principal of KDM Trading, Inc. since December 16, 2003 and a registered associated person of KDM Trading, Inc. since February 4, 2004. Mr. Schindler has been a listed principal of the Advisor since May 7, 2009 and a registered associated person of the Advisor since June 30, 2009. In November 2006, Mr. Schindler established a branch office of KDM Trading, Inc. located in Wausau, Wisconsin. In August 2009, this branch was relocated to Fergus Falls, Minnesota. Mr. Schindler's responsibilities at KDM Trading, Inc. include handling both hedge and speculative customer accounts and writing weekly market commentary and trade recommendations.

Mr. Schindler has personal trading accounts and reserves the right to trade for his own accounts in the future, especially using the trading programs offered in this Disclosure Document. Clients will not be permitted to inspect the trading records of such personal accounts.

Mr. Schindler has had discretion over accounts as a registered associated person of KDM Trading, Inc. in its capacity as a registered introducing broker, an affiliated entity. The program used to trade these discretionary accounts is the Dairy Advantage program, which is one of the programs being offered in this Disclosure Document. Mr. Schindler has transitioned all of these accounts over to the Advisor. The performance for Mr. Schindler can be found beginning on page 16 of this disclosure document.

## THE ADVANTAGE TRADING PROGRAMS

The Advisor primarily uses fundamental analysis as opposed to using technical analysis to formulate his trading decisions. The Advisor intends to trade primarily Class III milk and other dairy futures, as well as corn, soybean and wheat futures in his programs, but reserves the right to trade in other agricultural and non-agricultural futures on occasion. Fundamental analysis is the consideration of factors external to the market of a particular instrument. For example, weather, imports/exports, and political events that affect the supply and demand of that particular instrument, in order to predict future prices of that instrument. Technical analysis is not based on the anticipated supply and demand of the "cash" or "physical" (i.e., actual) commodity; instead, technical analysis is based on the theory that a study of the markets themselves (in particular, of trends of prices established by the markets for various instruments during selected historical periods) provides a means of anticipating prices. Technical analysis of the markets often includes a study of the actual daily, weekly and monthly price fluctuations, as well as volume variations and changes in open interest, utilizing charts and/or computers for analysis of these items and other technical market data.

The Advisor focuses on factors that affect the supply and demand of a particular commodity which are examined in order to predict future prices for markets included in its Advantage trading programs. For example, some of the fundamental factors affecting the dairy and grain markets include milk production statistics, dairy cow slaughter numbers, cost of feed, crop production, yield statistics, planting intentions and weather. Fundamental factors affecting demand include commercial disappearance of dairy and grain end-products, dairy and grain exports, historic and seasonal patterns, and general U.S. and world economic conditions. In addition to USDA and NASS weekly and monthly reports, the Advisor has developed a network of individual dairy and grain farmers across the country, commercial cheese operations and pit traders that help him come up with his bias on the market. Trade volume is expected to be quite low, since this is a trend-following approach. Positions are typically held several days, and even weeks to months are not uncommon. However, there may be times when trade volume increases for short periods, such as when positions are exited or reversed due to a sudden change in the trend.

The Advisor offers three Advantage trading programs:

The **Dairy Advantage** program primarily involves buying and selling Class III Milk futures on United States regulated exchanges. The average amount of funds invested for margin purposes at one time will generally be approximately 5% to 10%. However, the percentage may be substantially higher or lower based upon current market conditions. The minimum account size is $200,000; however, the Advisor reserves the right to waive the minimum requirements on a case-by-case basis.

Like the Dairy Advantage program, the **Institutional Dairy Advantage** program primarily involves buying and selling Class III Milk futures, but due to its much larger minimum account size, it offers meaningful participation in other dairy futures contracts such as cheese, butter, dry whey and nonfat dry milk futures contracts on United States regulated exchanges. This larger minimum account size also allows it to trade further out into the futures curve, where there is less liquidity. The average amount of funds invested for margin purposes at one time will generally be approximately 5% to 10%. However, the percentage may be substantially higher or lower based upon current market conditions. The minimum account size is $5,000,000; however, the Advisor reserves the right to waive the minimum requirements on a case-by-case basis.

The **Grain Advantage** program primarily involves buying and selling Corn, Soybean and Wheat futures on United States regulated exchanges. The average amount of funds invested for margin purposes at one time will generally be approximately 15% to 25%. However, the percentage may be substantially higher or lower based upon current market conditions. The minimum account size is $100,000; however, the Advisor reserves the right to waive the minimum requirements on a case-by-case basis.

The Advisor may trade options in either of its programs. The Advisor does not trade on international exchanges and does not trade FOREX in the interbank market, however there are no restrictions or limitations on what commodity interests or other interests the Advisor may or may not trade on United States exchanges. If the Advisor decides to trade these markets and products, the Advisor will notify you before doing so.

Generally, when new client accounts are established, the Advisor will need approximately two to three weeks to initiate new positions or enter markets until the account is fully invested in the program. During this period, it is possible that the performance of new accounts will vary from accounts that have already existed in the program.

## DISCLOSURE FOR SELF-DIRECTED IRA ACCOUNTS

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 all trading for the account(s) if the account(s) experience a drawdown in excess of 50% of the account's current trading level. The drawdown will be reviewed at the end of each trading day and will not generally be monitored on an intra-day basis. In the event the account is approaching the 50% drawdown benchmark, the Client will be provided with the option to either terminate the account and liquidate all positions and remaining balances, 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 markets, the Advisor is unable to guarantee that any drawdown in the account can be limited to 50% of the account's current trading level.

## NOTIONAL FUNDING

You should consult the Advisor as to the amount of cash or other assets (actual funds) that should be deposited to the Advisor's trading program in order for your account to be considered "fully funded". This is the amount by 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 trading program.

You are reminded that the account size you have agreed to in providing the "nominal" account size is not the maximum possible loss that your account may experience and that leverage increases in proportion to the difference in actual versus notional funding.

You should consult your account statements in order to determine the actual activity in your account, including profits, losses, and 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:

- 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.
- You may receive more frequent and larger margin calls.
- Trading will be determined by the account's nominal funding level, which equals actual funds plus any notional funds. Management fees are based on the value of the account under management, which includes notional funds. Clients with notionally funded accounts will pay management and other fees at a higher rate as a percentage of actual funds than clients whose accounts are fully funded. For example, a client account with 50 percent of its trading level in actual funds and a stated management fee of two percent will pay a management fee of four percent based on actual funds.

Following is a table showing potential returns for the Advisor. The table shows how different levels of partial funding would affect the returns. The table shows that partially funding an account will magnify both gains and losses when compared to a fully funded account. Cash additions, withdrawals, and net performance will increase or decrease actual funds in proportion to the nominal account size. As funds decrease in proportion to nominal account size, the leverage will increase.

### Rates of Return Based On Various Funding Levels

| **Actual Rate of Return** | **Level of Funding** | | | |
|---|---|---|---|---|
| | **100.00%** | **75.00%** | **66.67%** | **50.00%** |
| **-40.00%** | -40.00% | -53.33% | -60.00% | -80.00% |
| **-30.00%** | -30.00% | -40.00% | -45.00% | -60.00% |
| **-20.00%** | -20.00% | -26.66% | -30.00% | -40.00% |
| **-10.00%** | -10.00% | -13.33% | -15.00% | -20.00% |
| **00.00%** | 00.00% | 00.00% | 00.00% | 00.00% |
| **10.00%** | 10.00% | 13.33% | 15.00% | 20.00% |
| **20.00%** | 20.00% | 26.66% | 30.00% | 40.00% |
| **30.00%** | 30.00% | 40.00% | 45.00% | 60.00% |
| **40.00%** | 40.00% | 53.33% | 60.00% | 80.00% |

## BROKERAGE ARRANGEMENTS

To hold money and trade for the account of another, a person must be registered with the CFTC as a clearing or non-clearing Futures Commission Merchant ("FCM") and must be a Member of NFA.

Clients other than those of KDM Trading, Inc. are free to choose their own introducing broker or FCM, subject to the approval of the Advisor. Criteria for approval include (but not limited to) execution, allocation procedures, back office support and platform availability. Clients opening accounts at other FCMs may be subject to give-up fees, which are not expected to be more than $3.00 per side. Clients may choose an introducing broker, if desired.

R.J. O'Brien and Associates will execute the Advisor's commodity trades for accounts held by it. The FCM will have custody of the client assets. It is understood that all trades will be cleared by the FCM and that the client will pay all clearing and execution costs, including give-up fees, if applicable.

To better facilitate the execution of orders, the Advisor will have clearing relationships with certain floor brokers on the futures exchanges, either independent or FCM affiliated. The Advisor may direct some of its clients' trades to these floor brokers or institutional desks for bulk execution. The orders are subsequently "given-up" to R.J. O'Brien and Associates, or other FCM carrying the account. For certain markets and/or transactions, the client may be required to pay additional expenses from the client's account for these give-up transactions. Such expenses, which are not expected to average more than $3.00 per side, would be deducted from the client's account by the client's FCM. Schindler Capital Management's advisory agreement grants the Advisor a power of attorney to enter into agreements on behalf of the client authorizing such payments. Schindler Capital Management believes that its customers benefit from its selection of such brokers and/or desks by improved executions and by the valuable market information it receives from such brokers. The Advisor does not expect to receive any direct or indirect compensation from KDM or R.J. O'Brien and Associates.

For clients introduced by KDM Trading, Inc., R.J. O'Brien and Associates will also charge NFA, clearing, exchange, brokerage and transaction fees on the commodity interest transactions. These charges will be reflected on daily confirmations and purchases/sales statements sent to the client. A participating client is directly responsible for the payment to the FCM of all margins, brokerage commissions and fees, option premiums and other transaction costs incurred in connection with transactions effected for such client's account.

In addition to the execution of the Advisor's account documentation, each client introduced by KDM Trading, Inc. will also be required to execute R.J. O'Brien and Associates' account forms for new customers such as a power-of-attorney, risk disclosure document, authorization to do cross trade transactions, and the customer agreement.

*KDM Trading,Inc.*

KDM Trading, Inc. is a registered introducing broker and Member of NFA since February 2004. KDM Trading, Inc. is located at W6639 Badger Court, Wild Rose, Wisconsin, 54984, and its telephone number is 877-695-8538. KDM Trading, Inc. is owned and operated by Dan Schindler, Mark Potter, and Keith Schnese.

*R.J. O'Brien and Associates*

Founded in 1914, R.J. O'Brien & Associates, LLC ("RJO") is a privately owned Futures Commission Merchant. RJO is one of the oldest and best known independent futures brokerage firms in the industry. RJO is a founding member of the Chicago Mercantile Exchange, a full clearing member of the Chicago Board of Trade, New York Mercantile Exchange, the New York Board of Trade, the Intercontinental Exchange and the Dubai Mercantile Exchange and a member of Eurex AG and Euronext.Liffe. RJO's main office is located at 222 South Riverside Plaza, Suite 1200, Chicago, Illinois, 60606. RJO's telephone number at such location is (312) 373-5000.

## ADVISOR'S FEES

The Advisor charges clients a monthly management fee and a quarterly incentive fee. The Advisor reserves the right to accept fee arrangements that differ from those disclosed within this disclosure document. The fee rates agreed upon will not generally exceed the levels indicated below. Accordingly, no assurance can be given that the fees to be charged to a Client's account will be more or less than the amount to be charged to any other Client account managed by the Advisor. In all cases, the specific fees will be agreed upon with the Client before an Advisory Agreement is executed and the specific management fee and incentive fee percentage will be documented in the Advisory Agreement. The Advisor will not charge an upfront fee upon the opening of Client accounts. The Advisor generally charges Clients the fees set forth below:

*Management Fee*

The monthly Management Fee is the sum of that month's daily management fees, which are each calculated as 1/365 of the annual management fee rate multiplied by the daily Net Asset Value as of the end of each day. The Management Fee shall be calculated before any Incentive Fee (as defined below) is subtracted from the Account. The Management Fee shall be due regardless of whether any profits were achieved for the month or whether any trading activity took place during the month.

The term "Net Asset Value" of the account under management shall mean the amount of actual funds allocated to trading, plus or minus cumulative profits or losses, plus accrued interest, plus additional deposits, minus withdrawals, and minus all management and incentive fees due. Cumulative profits or losses include both realized and unrealized profits or losses, after deducting commissions and transaction charges payable with respect to such positions.

*Incentive Fee*

A quarterly Incentive Fee will be calculated as of the close of business on the last day of each quarter, equal to the negotiated percentage of New Net Profits. New Net Profits shall be computed using this formula: realized profit and loss during the quarter plus the change in unrealized profit and loss on open positions from the end of the previous quarter, minus all brokerage commissions and transaction fees and other fees and charges paid or accrued during the quarter and minus cumulative net realized loss, if any, carried over from the previous quarter. Cumulative net realized loss shall be computed by totaling all net realized profit in each quarter in which there was such a profit and subtracting from this figure all net realized loss in each quarter in which there was such a loss; provided that the full cumulative net realized loss shall not be carried over where a withdrawal has occurred. Instead, a portion of the loss (calculated by dividing the withdrawn amount by the total under management and multiplying the result by the cumulative net realized loss) attributable to the withdrawn amount shall first be subtracted from the cumulative net realized loss.

The Incentive Fee shall be calculated and shall accrue quarterly. If the Account does not have New Net Profits in a given quarter, no Incentive Fee shall be due to Advisor unless and until the Account experiences New Net Profits in a subsequent quarter. The amount of the Incentive Fee due to Advisor, if any, shall be determined independently with respect to each quarter, and the amount of any such fee paid shall not be affected by subsequent losses experienced in the Customer's Account.

The Advisor may share a portion of its incentive fees and management fees with third parties, including but not limited to KDM Trading, Inc., in accordance with regulatory standards.

## COMMISSIONS

Trade volume for the offered programs is expected to be very low most of the time. For example, the Advisor expects to go weeks and possibly months without a trade. Rarely, however, there may be a flurry of activity due to opportunities in the market. Clients introduced by KDM Trading, Inc. will pay a commission of approximately $55 per round-turn to the FCM, inclusive of exchange fees, clearing fees, brokerage fees, transaction fees, and NFA fees. As a principle of KDM Trading, Inc., the Advisor's principle will share in the commissions paid by these clients. In addition to commissions, clients introduced by KDM Trading, Inc. will be charged exchange fees, clearing fees, brokerage fees, transaction fees, give-up fees, and NFA fees. The Advisor's affiliate (KDM Trading, Inc.), in its capacity as an introducing broker, will partake in the commissions charged to these accounts. The commission and fees paid to the FCM vary depending on the clearing fees of the FCM, however, up to 85% of the fees charged to the client accounts are rebated back to KDM Trading, Inc. (not including the exchange fees, clearing fees, brokerage fees, transaction fees, and NFA fees since KDM does not share in these fees). This amount could be lower or greater depending on the futures contracts traded and the FCM clearing fees.

Clients other than those introduced by KDM are free to choose their own FCM. Clients are also free to choose the IB of their choice, provided that the IB will charge a round-turn commission of not more than $55.00 inclusive of all trading fees and commissions. This fee structure will be independently negotiated between the IB and the Client. Furthermore, the Advisor will not use the election of commission structure as a criteria to evaluate a Client's choice of an IB. The Advisor will not allow a Client to participate in its programs with an IB that charges a commission outside of this range. In addition to the regular commission rates, accounts not introduced by KDM Trading, Inc. and held at any FCM may also be charged "give-ups", desk fees, or other order execution fees which are paid to brokers for the execution of the customer's order. These fees are not expected to average more than $3.00 per side.

## ADDITIONS AND WITHDRAWALS TO EXISTING ACCOUNTS

Additional funds may be added to a Client's existing account at any time, although the Advisor suggests any increases or decreases in trading levels be made effective as of the first of the month. Withdrawals may be made at any time upon written notice to the Advisor. However, no withdrawal will be permitted which would reduce the nominal assets under management in a Client's account below such account's minimum account size pursuant to their specific trading program (i.e., $200,000 for the Dairy Advantage program, $5 million for the Institutional Dairy Advantage Program and $100,000 for the Grain Advantage program) other than a withdrawal in termination of such account or transfer to an account utilizing one of the Advisor's other programs, if available, or with the prior written consent of the Advisor. Clients should be aware, however, that despite the above notice provision for withdrawals, the Client always maintains the ability to access their funds held at the FCM. Clients wishing to establish an account trading pursuant to another trading program offered by the Advisor must sign a new Advisory Agreement.

Clients should note that any actual cash additions to the account as well as any profits made in the account will increase the Account Size (which is the trading level used by the Trading Manager to determine which trades to execute). Actual cash withdrawals made from the account as well as any losses incurred in the account will reduce the Account Size. Clients may also request specific changes to notional funding components for their account(s) to increase or decrease the Account Size, subject to approval by the Advisor.

## PRINCIPAL RISK FACTORS

In addition to the risks inherent in trading commodity interests pursuant to instructions already provided herein by the Advisor, there exist additional risk factors, including those described below, in connection with a customer participating in the Advantage programs. Prospective customers should consider all of the risk factors described below and elsewhere in this Disclosure Document before participating in any program.

**Computer Trading:** The Advisor utilizes a computer-based trading platform for the majority of trading. In such instances, trading through an electronic trading or order routing system exposes you to risks associated with system or component failure. The risk exists that a trade may not be placed, a trade may be placed at a later time than originally desired, or a trade may not be able to be cancelled due to market volatility and volume, quote delays, system and software errors, internet traffic, or outages. System or component failure may also result in loss of orders or order priority. These occurrences, which are beyond the Advisor's control, could result in losses to a client's account. Some contracts offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. Exchanges offering an electronic trading or order routing system and listing the contract may have adopted rules to limit their liability, the liability of futures brokers and software and communication system vendors and the amount that may be collected for system failures and delays. These limitations of liability provisions vary among the exchanges.

**Commodity trading is speculative and volatile:** Commodity interest prices are highly volatile. Price movements for commodity interests are influenced by, among other things, changing supply and demand relationships; weather; agricultural, trade, fiscal, monetary and exchange control programs and policies of governments; United States and foreign political and economic events and policies; changes in national and international interest rates and rates of inflation; currency devaluations and revaluations and emotions of the marketplace. None of these factors can be controlled by the Advisor and no assurance can be given that the Advisor's advice will result in profitable trades for a participating customer or that a customer will not incur substantial losses.

**Commodity trading is highly leveraged:** The low margin deposits normally required in commodity interest trading (typically 2% to 15% of the value of the contract purchased or sold) permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses to the investor. For example, if, at the time of purchase, 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deductions for brokerage commissions. A decrease of more than 10% would result in a loss of more than the total margin deposit. Thus, like other leveraged investments, any trade 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 FCM, the customer, and not the Advisor, will receive a margin call from the FCM. If the customer does not satisfy the margin call within a reasonable time (which may be as brief as a few hours), the FCM will close out the customer's position.

**Commodity trading may be illiquid:** Most United States commodity exchanges limit price fluctuations in certain commodity interest prices during a single day by means of "daily price fluctuation limits" or "daily limits." The daily limit, which is set by most exchanges for all but a portion of the expiration month, imposes a floor and a ceiling on the prices at which a trade may be executed as measured from the last trading day's close. While these limits were put in place to lessen margin exposure, they may have certain negative consequences for a customer's trading. For example, once the price of a particular contract has increased or decreased by an amount equal to the daily limit, thereby producing a "limit-up" or "limit-down" market, positions in the contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Contract prices in various commodities have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Advisor from promptly liquidating unfavorable positions and subject a participating customer to substantial losses that could exceed the margin initially committed to such trades.

**Possible Effects of Speculative Position Limits:** Insofar as speculative position limits are applicable, all commodity accounts owned, held, managed and controlled by the Advisor are aggregated for position limit purposes. The Advisor may manage additional client accounts in the future. The Advisor believes that established position limits will not adversely affect the Advisor's contemplated trading. However, it is possible that from time to time the trading decisions of the Advisor may be modified and positions held or controlled by the Advisor may have to be liquidated in order to avoid exceeding applicable position limits.

**Trading of Options on Futures Contracts:** When an option or options are purchased, the risk in holding such options is limited to the premium paid and all commissions and fees involved with the trade, while the profit potential is unlimited with respect to call options purchased and limited to the futures price of the commodity dropping to zero with respect to the purchase of put options. When an option is shorted or written, the writer is limited in the return to the amount of the premium received less all commissions and fees charged. The writer of the option is, however, at unlimited risk with respect to the call option and risk on the put option of the amount should the price of the futures contract drop to zero.

**Stop orders:** The Advisor generally does not make use of stop orders. However, if stop orders are used to enter or exit the market, you should be aware that such orders become market orders when "triggered" and do not ensure that the order will be filled at the price stated on the stop order.

**Performance Among Accounts May Vary During the Start of Trading:** The performance experienced by any Client may differ from the performance of other Clients and any composites compiled by the Advisor. These differences may be caused by one, or a combination, of the following factors: (1) the timing of the Client's investment in the trading program; (2) the amount of funds contributed or withdrawn by the Client; (3) differences in fees charged to Client accounts; (4) differences in the brokerage commissions charged by the FCM(s); (4) the liquidity of the futures contract traded may not be sufficient to allow an order to be placed with a sufficient number of contracts to ensure that every customer account will participate in every trade an advisor makes for its managed accounts; (5) split fills received block orders placed by the advisor; (6) interest earned in accounts and not others; and (7) limitations on trading parameters imposed by certain Clients, such as restrictions on the types of commodity interests traded or stop-loss provisions. As a result of these differences, the Advisor may compile different composite capsules to present fairly, in all material respects, its performance results. Specifically, in the event a Client's account begins trading after a period of profitability experienced by the Advisor, the new Client account may experience a losing period, perhaps of a considerable length, during the early months of trading. Furthermore, the Advisor has specified minimum account sizes for its trading programs. The Advisor does not permit Clients to withdraw money from their account that will cause the nominal value in the account to fall below the minimum account size, unless a corresponding change to notional funding is made to maintain the minimum account size. Should your account fall below the minimum account size due to trading losses, the Advisor will continue to trade. However, such trading may be impacted as the Advisor may not be able to fully implement its trading program. For example, it is possible that trades will not be executed for accounts under the minimum account size. It is also possible that trades done in the larger accounts will also be done in accounts that are under the minimum account size which will significantly magnify the gains or losses. Furthermore, the Advisor might use more discretion as part of the overall risk management process which may have a material impact on the timing of trades. Therefore, as a result of having an account size under the minimum required for a program, it is possible that the Advisor will not be able to fully follow its trading program and performance returns may vary significantly from other accounts.

**Speculative Nature of Commodity Trading:** Commodity futures contracts, unlike many securities, do not pay any dividends or interest. Profits can be made in commodity trading only by selling a contract at a higher price than that at which it was bought or by buying a contract at a lower price than at which it was sold.

**Charges to a Client's Account:** A Client is obligated to pay brokerage commissions, management fees, and clearing, brokerage, transaction, give-up, exchange and NFA fees, regardless of whether the Client realizes profits.

**Notionally Funded Accounts:** Notionally funded accounts employ a level of leverage greater than any leverage already inherent in the Advantage programs. When measured against the assets actually deposited in the account, a notionally funded account will experience greater percentage returns and volatility and will pay a higher percentage of advisory fees and commissions than a fully funded account of the same nominal value. In addition, although a notionally funded account and a fully funded account of the same nominal value theoretically would experience the same dollar amount of profits or losses, the notionally funded account might experience larger and more frequent margin calls. If margin calls for any account, whether notionally or fully funded, are not met in a manner considered timely by the Client's FCM, or if the Client is not inclined to add more cash to continue trading in the face of significant losses, trading in the Client's account would cease and/or positions would be liquidated, in which case its performance could differ substantially from the performance of the Advisor's other Client accounts. The likelihood of a cessation in trading due to an account having insufficient margin to continue trading is higher with a notionally funded account than a fully funded account. In addition, the likelihood that a Client will have to deposit additional funds because the Client's account has a debit, or negative, balance also is higher with a notionally funded account than a fully funded account.

**Intraday Trading:** The Advisor's Advantage programs are not considered to be day trading programs. A prospective customer, however, should be aware that an increase in trading activity results in an increase in total commissions to an account which could subsequently reduce overall performance considerably.

**Confidentiality of Client Records:** The Advisor may enter into a contract with external compliance consulting firms to compile performance data, prepare Disclosure Documents and perform on-site inspections. Although the Advisor retains all Client records under strict confidentiality, the Advisor may provide Client records (i.e., daily and month end commodity statements generated by the Client's FCM, Client account files, and fee arrangements) to the external consultants for purposes of compiling performance data in accordance with CFTC and NFA Requirements. The Advisor may also request that the FCM's carrying the Client accounts to provide certain records to the external compliance consulting firms in order for the Advisor to meet its regulatory obligations as a commodity trading advisor. At times, the Advisor may be required by law to furnish complete Client records to regulators, legal counsel, courts of competent jurisdiction, or other entities. The Advisor will obtain reasonable assurance from the external consultants that all Client information will be regarded with the utmost of confidentiality. In addition, Client records will remain confidential to other Clients.

**Changes in Trading Approach:** No assurance is given that the Advisor's performance will result in successful trading for Clients under all or any conditions. The Advisor may alter its trading methods, commodity futures traded, or money management principles, without prior approval by, or notice to Clients, if the Advisor determines that such change in policy is in the best interest of Clients.

**Futures Trading is Non-Correlated to other Asset Classes:** Generally, assets invested in futures accounts have been non-correlated to the performance of other investment asset classes such as bonds and commodities. As a result of this non-correlation, a futures account managed by the Advisor should not be expected to automatically profit during unfavorable periods or vice-versa. The futures markets are fundamentally different from other markets, therefore, making any comparisons inherently limited.

**Lack of Diversification:** The primary contracts traded by the Advisor are limited in each of its Advantage programs. You should be aware that this means that the contracts most often traded offer little to no diversity in the client's account. This lack of diversity could be viewed as exposure to greater portfolio risk.

**Counterparty Credit Worthiness:** Under CFTC regulations, FCMs are required to maintain customer's assets in a segregated account. If a customer's FCM fails to do so, the customer may be subject to risk of loss of funds in the event of the FCM's bankruptcy. Even if such funds are properly segregated, the customer may still be subject to a risk of a loss of his funds on deposit with the FCM should another customer of the FCM or the FCM itself fail to satisfy deficiencies in such other customer's accounts. 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 be able to recover none or only a portion of those assets held by such futures broker.

**Reliance on the Advisor:** There can be no assurance that the Advisor's trading system will be profitable, or that it will continue to be available to clients. Since Mr. Schindler is the sole principal trader, if his services were not available, the continued ability of the Advisor to render services to clients might be subject to substantial uncertainty, and the services of the Advisor could be terminated completely.

**Uncertainty Concerning Future Regulatory Changes:** In addition to possible changes in the regulation of the commodity futures markets, other regulatory changes could have a material and adverse effect on the prospects for profitability. The commodity futures markets are subject to ongoing and substantial regulatory changes, and it is impossible to predict what statutory, administrative or exchange-imposed restrictions may become applicable in the future. Particularly in light of the general turmoil that has engulfed the financial markets over the past two years, Congress, the Treasury Department, the SEC and the CFTC, among others, have or are considering measures, including but not limited to, bans and limits on speculative trading that could limit or negate the ability of the Advisor to trade profitably.

## CONFLICTS OF INTEREST

The Advisor may pay persons or firms who introduce accounts to it a portion of the fees it receives from such accounts. As a result, persons or firms who introduce your account to the Advisor may have an incentive to do so based on the payments they will receive from the Advisor.

Prospective clients should be aware that these, and other, potential conflicts of interests are frequently inherent in the position occupied by a CTA. The Advisor, however, is obligated to treat each client with fairness, considering the client's best interests. All efforts will be made to assure fair and equitable treatment of all accounts. Clients should be aware that normal marketplace factors might cause the results of various accounts to differ.

### Business with KDM Trading, Inc.

KDM Trading, Inc. an affiliate of the Advisor, may serve as the introducing broker on Client accounts. In its capacity as an introducing broker, KDM Trading, Inc., is expected to receive a portion of the commissions (up to 85%) from R.J. O'Brien and Associates charged to the Client accounts. Therefore, if R.J. O'Brien and Associates is not providing adequate or sufficient services, it might be difficult for the Advisor to change FCMs for the Client since the Advisor's affiliate (KDM Trading, Inc.) is operating pursuant to a guarantee agreement with R.J. O'Brien and Associates and therefore, would need to enter into a new IB clearing agreement with another FCM. KDM Trading, Inc. may be reluctant to do so because of the cost to transition over to an independent IB or the compensation structure might not be as favorable as it is with R.J. O'Brien and Associates. Furthermore, since KDM Trading, Inc. will be receiving commissions on accounts that are managed by the Advisor, the Advisor has an incentive to trade the accounts more aggressively in order to generate greater commission income for KDM Trading, Inc.

Mr. Schindler is the person responsible for managing client accounts. Mr. Schindler is involved in other business activities such as owning and operating KDM Trading, Inc. and servicing introduced customer accounts. In conducting such activities, Mr. Schindler has a conflict of interest in allocating management and advisory time, services, and other functions to the Advisor's clients.

### Advisor May Have Incentive to Favor Certain Accounts

The Advisor proposes to manage the accounts of a number of customers and to solicit actively the accounts of individuals, institutions and pools. These accounts may pay more or less in fees than others and some of these accounts may have significantly larger amounts committed to trading than others. Consequently, the Advisor may have a financial incentive to favor one account over another. However, the Advisor will not knowingly or deliberately favor one client account over another. Because of price volatility, occasional variations in liquidity, and differences in order execution, it is impossible for the Advisor to obtain identical trade execution for all its clients. When block orders are filled at different prices, the Advisor assigns the executed trades on a systematic basis among all client accounts.

### Incentive Fee Arrangement

The incentive fee arrangement entered into between the Advisor and its clients might create an incentive for the Advisor to make investments that are more risky or more speculative, as the Advisor would be partaking in the net performance of the clients' account.

**Block Orders**

The Advisor will generally place orders in a fashion generally known as "block orders". With this type of trading method, the Advisor will combine the order for one client along with the orders of other clients, and place the entire order simultaneously as one trade. In addition, any accounts of the Advisor's principal as well as the Advisor's account is permitted to be blocked with the clients' accounts. In this manner of trading, the Advisor attempts to trade client accounts in parallel, making trades for accounts and apportioning the number of each commodity interest ratably among the accounts based on the equity in each account. In the event of a partial fill, allocations will be made on a pro-rata basis. Each client would receive, if possible, a portion of the blocked order.

In the event a block order results in a split fill (i.e. more than one price), the Advisor attempts to have the trade apportioned according to the average price system ("APS") so that each customer receives the same fill price. In the event APS is not available, the Advisor's procedure for allocating block orders resulting in split fills will be accomplished pursuant to a high-low method. This method apportions the higher fill prices to the higher account numbered clients for both buys and sells, and the lower fill prices to the lower account numbered clients for both buys and sells. This method is one of the industry standards and results in a fair and equitable method of order allocation.

**The Advisor May Pay Lower Commissions or Receive Commissions**

The Advisor may have trading accounts at the same brokerage firms as clients, and may pay lower commissions than clients. For accounts that are opened through KDM Trading, Inc., Mr. Schindler indirectly receives income from commissions generated, as he serves as Vice President and is a principal of the company. The CTA therefore has an incentive to trade the account actively to increase the compensation that KDM Trading, Inc. will receive.

**Outside Referrals**

The Advisor may pay persons or firms who introduce accounts to it a portion of the fees it receives from such accounts. As a result, persons or firms who introduce your account to the Advisor may have an incentive to do so based upon the payments they will receive from the Advisor and not necessarily on how the Advisor's programs fit into the client's overall investment objectives.

**Trading Programs**

The Advisor and/or its principal may, at times, test new trading concepts and techniques in their own accounts. As such, trading in these accounts may be more aggressive than client accounts, and trading in these accounts may involve trades which are executed ahead of, or opposite to clients' trades. In addition, there is a potential that these proprietary accounts might be given preferential treatment over client accounts.

## PRIVACY POLICY

The confidentiality of client information is of the utmost importance to the Advisor.

The Advisor collects nonpublic personal information about its clients from information provided by the clients account applications and forms and through transactions that occur in the clients' trading accounts.

The Advisor does not disclose any nonpublic personal information about its clients to anyone, except as permitted or required by law. At times, the Advisor may be required to furnish complete client records to regulators, legal counsel, courts of competent jurisdiction, or other entities as required by law. In addition, the Advisor may be required to furnish tax information to the Internal Revenue Service.

The Advisor enters into agreements with external compliance/accounting firms to compile performance data for the Advisor's trading programs. The performance calculations are required to be compiled in accordance with CFTC Regulations and NFA Rules. The Advisor would provide clients' records (e.g., month end commodity statements generated by the FCM) to the external compliance firm for purposes of compiling the performance data. The Advisor has obtained reasonable assurance that the external compliance firm will not share the clients' information with third parties. However, a client may instruct the Advisor, in writing, to not provide its month end statements to the external compliance firm.

The Advisor will not sell clients' personal information to anyone and no client will be permitted to review other clients' records.

The Advisor maintains physical, electronic, and procedural safeguards to protect clients' nonpublic personal information.

## LITIGATION

### *Schindler Capital Management, LLC*

There has been no administrative, civil or criminal litigation against the Advisor or its principal, Daniel S. Schindler, in the last five years and there is none pending, on appeal or concluded.

### *R.J. O'Brien and Associates*

Founded in 1914, R.J. O'Brien & Associates, LLC ("RJO") is a privately owned Futures Commission Merchant. RJO is one of the oldest and best known independent futures brokerage firms in the industry. RJO is a founding member of the Chicago Mercantile Exchange, a full clearing member of the Chicago Board of Trade, New York Mercantile Exchange, the New York Board of Trade, the Intercontinental Exchange and the Dubai Mercantile Exchange and a member of Eurex AG and Euronext.Liffe.

Except as disclosed below, there have been no material civil, administrative, or criminal proceedings pending, on appeal, or concluded against RJO or its principals in the past five years.

On January 2, 2013, without admitting or denying the findings, RJO settled a Commodity Futures Trading Commission ("CFTC") action alleging that during the years 2003 to 2007 it failed to diligently supervise its employees in connection with the handling of commodity futures orders of a Guaranteed Introducing Broker ("GIB") of RJO and the GIB's Associated Person ("AP"), sole principal, and owner. The CFTC order found that, from January 2003 through February 2007, the GIB's AP engaged in an unlawful trade allocation scheme for his personal benefit and to the detriment of both the GIB's customers and a commodity futures pool operated by the AP through accounts held at RJO. RJO offered restitution to these customers. In addition, the order found that RJO failed to follow procedures it had in place concerning the placement of bunched orders by account managers. The order also found that RJO did not employ adequate procedures to monitor, detect, and deter unusual activity concerning trades that were allocated post-execution, or for supervision of its employees' handling and processing of bunched orders. In connection with the settlement, RJO paid a civil monetary penalty of $300,000 and agreed to cease and desist from further violations of Regulation 166.3 on supervision as described in the consent order.

On September 27, 2013, without admitting or denying the findings, RJO settled a CFTC action alleging that RJO violated CFTC Regulation 30.7(d). The CFTC order found that on or about February 10, 2012, RJO, as carrying broker and depository for a non-clearing FCM, transferred $1,586,000 from the non-clearing FCM's secured omnibus customer account (approximately $605,268 of which represented secured foreign futures or foreign options customer funds) and held, commingled, and deposited the secured customer funds in the non-clearing FCM's segregated omnibus customer account. RJO transferred the funds to reduce a margin deficiency in the non-clearing FCM's segregated omnibus account, without knowing whether the funds were part of the non-clearing FCM's secured account requirements. Further, the Order finds that RJO did not make a margin call to the non-clearing FCM and did not notify the non-clearing FCM that it was transferring the funds from the non-clearing FCM's secured omnibus account. The transfer was reversed the next business day and the CFTC order found that RJO's conduct did not result in any loss to customers. In connection with the settlement, RJO paid a civil monetary penalty of $125,000 and agreed to cease and desist from further violations of Regulation 30.7(d).

## TAX ASPECTS

The laws relating to the taxation of commodities are too complex to be dealt with in this Disclosure Document. Prospective investors should consult with their own tax advisor.

## PAST TRADING PERFORMANCE OF THE ADVISOR AND ITS PRINCIPAL

*Schindler Capital Management, LLC and Daniel Scott Schindler*

The accounts in Capsule A are those managed by Mr. Schindler and the Advisor pursuant to the **Dairy Advantage Program**.

The accounts in Capsule B are those managed by Mr. Schindler and the Advisor pursuant to the **Institutional Dairy Advantage Program** which began trading in April 2017.

The accounts in Capsule C are those managed by Mr. Schindler and the Advisor pursuant to The **Grain Advantage Program** which began trading in June 2013.

The unaudited Rates of Return represented in the following Capsules and all performance data relating to the Rates of Return have been calculated on an accrual basis of accounting in accordance with Generally Accepted Accounting Principles. Even though the results are unaudited, the performance is being compiled by an independent and experienced compliance firm.

Upon request, the Advisor will make available to prospective and existing clients, a composite performance table for the programs, in columnar format, illustrating for all reporting periods: Beginning Equity, Adjusted Beginning Equity, Additions, Withdrawals, Net Performance, Ending Equity, Monthly Rate of Return, Year-to-Date Rate of Return, and a compounded value on a $1,000 investment ("VAMI").

**PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS AND NO REPRESENTATION IS MADE THAT THE ADVISOR'S CLIENTS WILL OR ARE LIKELY TO ACHIEVE RESULTS SIMILAR TO THOSE SHOWN IN ANY ACTUAL OR PERFORMANCE TABLES OR CAPSULES THAT YOU REVIEW IN THIS DISCLOSURE DOCUMENT OR ANY OTHER PERFORMANCE DATA THAT YOU MAY RECEIVE FROM THE ADVISOR.**

**PERFORMANCE CAPSULE A – DAIRY ADVANTAGE PROGRAM PAST PERFORMANCE**

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS**

| MONTH | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|
| January | 0.34% | -1.61% | 0.40% | -0.68% | 17.07% | -0.23% |
| February | -0.19% | -0.15% | -0.40% | -0.50% | -0.80% | 0.77% |
| March | 0.19% | -0.12% | -0.85% | -0.22% | 10.86% | -0.12% |
| April | 0.47% | -0.72% | 1.59% | -0.09% | -0.13% | 2.12% |
| May | -1.33% | 3.40% | -0.17% | -0.38% | -0.18% | 1.42% |
| June | | -5.36% | 6.13% | 0.11% | -0.11% | -10.80% |
| July | | 0.74% | 1.37% | -0.18% | 0.91% | -0.31% |
| August | | -4.22% | -0.92% | -0.16% | 10.80% | 2.05% |
| September | | -0.12% | -0.16% | -1.94% | 1.64% | -1.44% |
| October | | 0.60% | -0.24% | -0.10% | -0.19% | 7.59% |
| November | | -0.11% | 1.98% | -0.19% | 0.91% | -1.40% |
| December | | -0.49% | 1.22% | 0.85% | 1.53% | 2.52% |
| YEAR-TO-DATE | -0.52% | -8.12% | 10.19% | -3.44% | 48.99% | 1.18% |

| | |
|---|---|
| Trading Program: | Dairy Advantage Program |
| Name of the CTA trading the accounts: | Schindler Capital Management |
| Inception of Trading: | August 2005 |
| Funds began trading pursuant to Program: | August 2005 |
| Number of Accounts in Trading Program: | 28 |
| Total assets under management: | $6,793,717 |
| Total assets under management in program: | $4,943,621 |
| Accounts opened & closed with positive performance: | 24 (Range: 1.10% to 131.30%) Best |
| Accounts opened & closed with negative performance: | 20 (Range: -1.70% to -21.00%) Worst |
| Worst Monthly Drawdown: (1) | -10.80% (June 2013), -1.33% (YTD) |
| Worst Peak-to-Valley Drawdown: (2) | -23.17% (Jun 2012 to July 2013) |

(1) "Drawdown" is defined as losses experienced by a pool or a trading program 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 a pool, account or trading program during any period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.
(3) "Year-to-Date" represents the compounded rate of return for each year or portion of the year presented. It is computed by applying successively the respective monthly rates of returns.

**PERFORMANCE CAPSULE B – INSTITUTIONAL DAIRY ADVANTAGE PROGRAM PAST PERFORMANCE**

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS**

| MONTH | 2018 | 2017 |
|---|---|---|
| January | 0.04% | |
| February | -0.66% | |
| March | -0.15% | |
| April | 0.18% | -0.12% |
| May | 0.17% | 3.54% |
| June | | -2.89% |
| July | | 0.88% |
| August | | -5.73% |
| September | | -1.41% |
| October | | -0.89% |
| November | | -0.97% |
| December | | 0.50% |
| YEAR-TO-DATE | -0.41% | -7.11 |

| | |
|---|---|
| Trading Program: | Institutional Dairy Advantage Program |
| Name of the CTA trading the accounts: | Schindler Capital Management |
| Date Advisor began managing client accounts: | August 2005 |
| Date Advisor began trading this program: | April 1st, 2017 |
| Number of Accounts in Trading Program: | 1 |
| Total assets under management: | $6,793,717 |
| Total assets under management in program: | $1,850,096 |
| Accounts opened & closed with positive performance: | 0 |
| Accounts opened & closed with negative performance: | 0 |
| Worst Monthly Drawdown: (1) | -5.73% (August 2017), -0.66% (YTD) |
| Worst Peak-to-Valley Drawdown: (2) | -10.83% (May 2017 to March 2018) |

(1) "Drawdown" is defined as losses experienced by a pool or a trading program 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 a pool, account or trading program during any period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.
(3) "Year-to-Date" represents the compounded rate of return for each year or portion of the year presented. It is computed by applying successively the respective monthly rates of returns.

**PERFORMANCE CAPSULE C – GRAIN ADVANTAGE PROGRAM PAST PERFORMANCE**

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS**

| MONTH | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|
| January | NT (4) | NT (4) | 0.00% | 0.00% | -1.21% | |
| February | NT (4) | NT (4) | 0.00% | 0.39% | 0.03% | |
| March | NT (4) | NT (4) | 0.00% | -2.07% | 5.03% | |
| April | NT (4) | NT (4) | NT (4) | 0.00% | -2.46% | |
| May | NT (4) | NT (4) | NT (4) | -3.42% | -2.22% | |
| June | | NT (4) | NT (4) | 12.13% | 5.64% | 0.47% |
| July | | NT (4) | NT (4) | -10.19% | -0.17% | -2.24% |
| August | | NT (4) | NT (4) | -3.75% | -0.69% | 0.00% |
| September | | NT (4) | NT (4) | 3.14% | -1.65% | 2.67% |
| October | | NT (4) | NT (4) | -4.57% | 1.34% | 2.32% |
| November | | NT (4) | NT (4) | 0.00% | -0.52% | -0.62% |
| December | | NT (4) | NT (4) | 0.00% | 0.00% | -1.77% |
| YEAR-TO-DATE | | | 0.00% | -9.42% | 2.97% | 0.73% |

| | |
|---|---|
| Trading Program: | Grain Advantage Program |
| Name of the CTA trading the accounts: | Schindler Capital Management |
| Date Advisor began managing client accounts: | August 2005 |
| Date Advisor began trading this program: | June 1st, 2013 |
| Number of Accounts in Trading Program: | 0 |
| Total assets under management: | $6,793,717 |
| Total assets under management in program: | $0 |
| Accounts opened & closed with positive performance: | 1 (Range: 1.73% to 1.73%) Best |
| Accounts opened & closed with negative performance: | 1 (Range: -11.10% to -11.10%) Worst |
| Worst Monthly Drawdown: (1) | -10.19% (July 2015) |
| Worst Peak-to-Valley Drawdown: (2) | -14.92% (June 2015 to Oct 2015) |

(1) "Drawdown" is defined as losses experienced by a pool or a trading program 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 a pool, account or trading program during any period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.
(3) "Year-to-Date" represents the compounded rate of return for each year or portion of the year presented. It is computed by applying successively the respective monthly rates of returns.
(4) "NT" means the program was not traded that month.

## OPENING AN ACCOUNT

Clients should be able to invest funds in the Advisor's Advantage programs for a period of at least one year. As with any investment, profits as well as losses in commodity trading can and will occur. The programs are therefore only for those clients who are able to both appreciate and bear the financial risks described in this disclosure document.

The Advisor's Dairy Advantage program requires a minimum investment of $200,000, the Institutional Dairy Advantage program requires a minimum investment of $5 million and its Grain Advantage program requires a minimum investment of $100,000. However, the Advisor reserves the right to accept a lesser amount in its sole discretion. Generally, there is no maximum amount of funds the Advisor can manage for its clients pursuant to the program. The Advisor believes that to fully appreciate the benefits of the trading program, investors should remain in the program no less than a year.

**BEFORE SIGNING ANY AGREEMENTS WITH THE ADVISOR, YOU SHOULD CAREFULLY READ THIS ENTIRE DOCUMENT AND DISCUSS WITH THE ADVISOR THE VARIOUS RISKS WITH TRADING COMMODITY FUTURES AND COMMODITY OPTIONS.**

1. Each client must sign and date the acknowledgment of receipt of the Advisor's disclosure document, before any trading activity may commence in the client's account.

2. Each client must sign and date a Limited Power of Attorney, which grants discretionary trading authority to the Advisor.

3. Each client must sign and date the Advisor's Advisory Agreement.

4. Each client should complete the authorization to pay fees form provided which will permit the FCM to remit fees directly to the Advisor.

5. Each client must sign and date the Trading Level Agreement.

6. Each client must complete the Confidential Investor Information Questionnaire.

These documents may not be modified, except in writing, by all relevant parties.

## ACKNOWLEDGMENT OF RECEIPT OF THE ADVISOR'S DISCLOSURE DOCUMENT

**SCHINDLER CAPITAL MANAGEMENT, LLC**
**22843 Cedar Lane**
**Fergus Falls, Minnesota 56537**
**(218) 531-9897**

I/we, ________________________________________, acknowledge reading and fully understanding Schindler Capital Management, LLC's Disclosure Document dated **May 31, 2018.** I/we am/are aware of the risks involved with the Advisor's Advantage programs and represent that I/we have sufficient risk capital.

### For Individual/Joint Clients:

____________________________ ______________________________________

Client Name (Print) Date

____________________________

Signature

**If a joint account, the second account holder must sign and date this next section:**

____________________________ ______________________________________

Second Client Name (Print) Date

____________________________

Second Client Signature

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### For Entity Clients:

____________________________ ______________________________________

Client Name By (Print)

____________________________ ______________________________________

Signature Title

____________________________

Date

## CONFIDENTIAL INVESTOR INFORMATION

National Futures Association Compliance Rule 2-30 requires that we ask our clients who are individuals for financial information and previous investment experience. Please return one questionnaire for each owner of a joint account. Use separate sheets if necessary. **If clients choose to keep certain of the items confidential from the Advisor, please mark those items "Confidential" and sign the form.**

Client Name: ______________________________________________

Date of Birth: ____ /____ /_____ Social Security Number/Tax I.D Number _____ - _____ - _____

Address: ______________________________________________

Telephone Number: ____________________ Cell Phone Number: ____________________

Principal Occupation or Business: ______________________________
(**If retired, please indicate "RETIRED"**)

Name of Employer: ______________________________________________

Nature of Business: ______________________________________________

Length of Time in Position: ____________________ Title: ____________________

Business Address: ______________________________________________

Business Telephone: ____________________

E-Mail Address: ____________________

Estimated Annual Income: ____________________

Estimated Liquid Net Worth: ____________________

**(Liquid Net Worth definition: The excess of total assets (excludes home, furnishings, and automobiles and any other asset that can't be converted to cash within 30 days) over total liabilities):**

Previous Investment <u>and</u> Futures Trading Experience:

| Type of investment experience | Number of years | Type of investment experience | Number of years |
|---|---|---|---|
| Stocks | ____________ | Real Estate | ____________ |
| Stock Options | ____________ | Futures | ____________ |
| Bonds | ____________ | Options on Futures | ____________ |
| Mutual Funds | ____________ | Other **(specify below)** | ____________ |

Are you a citizen of the United States?: YES: ☐ NO: ☐ If No, indicate citizenship:

I represent that the information recorded on this Confidential Investor Information questionnaire is true and accurate. I am aware that futures trading involves a high degree of risk.

____________________ ____________________ ____________

Print Name Signature Date

## LIMITED POWER OF ATTORNEY

Schindler Capital Management, LLC
22843 Cedar Lane
Fergus Falls, Minnesota 56537
(218) 531-9897

The undersigned client hereby constitutes, appoints, and authorizes **Schindler Capital Management, LLC**, as client's true and lawful agent and attorney-in-fact, in client's name, place, and stead, to buy, sell (including short sales), trade, and otherwise acquire, dispose of, and deal in commodity futures, commodity options, and other commodity interests, on margin or otherwise, on United States exchanges. Client hereby gives and grants to **Schindler Capital Management, LLC**, the CTA, full power and authority to act for client and on client's behalf to do every act and thing whatsoever requisite, necessary, or appropriate to be done in connection with this power of attorney as fully and in the same manner and with the same force and effect as client might or could do if personally present, and client hereby ratifies all that **Schindler Capital Management, LLC** may lawfully do or cause to be done by virtue of this power of attorney. Client hereby ratifies and confirms any and all transactions heretofore made by **Schindler Capital Management, LLC** for the account.

**For Entity Clients:**

______________________________
Client Name

______________________________
By (Print Name)

______________________________
Title

______________________________
Authorized Signatory

______________________________
Date

**For Individual/Joint Clients:**

______________________________
Client Name (Print)

______________________________
Signature

______________________________
Date

______________________________
Second Client Name (Joint Account)

______________________________
Second Client Signature (Joint Account)

______________________________
Date (Joint Account)

## AUTHORIZATION TO PAY FEES

Schindler Capital Management, LLC
22843 Cedar Lane
Fergus Falls, Minnesota 56537
(218) 531-9897

The undersigned client(s) ("Client") hereby authorizes ______________________________, the futures commission merchant ("FCM"), to withdraw from the client's commodity trading account with the FCM and remit directly to Schindler Capital Management, LLC ("the Advisor") immediately upon receipt of a bill from the Advisor, an incentive fee of 20% of the monthly New Net Profits (as described in the Advisory Agreement and Disclosure Document) and a management fee of 2% per annum, paid monthly, of the Net Asset Value (as described in the Advisory Agreement and Disclosure Document) in the account as of the end of each month.

Client acknowledges client's ongoing responsibility to review regularly all customer account records and statements from the FCM and from the Advisor since such records generally will be conclusive and binding on client unless prompt written objection from client is received by the FCM or the Advisor, as the case may be.

**For Entity Clients:**

______________________________
Client Name

______________________________
By (Print Name)

______________________________
Title

______________________________
Authorized Signatory

______________________________
Date

**For Individual/Joint Clients:**

______________________________
Client Name (Print)

______________________________
Signature

______________________________
Date

______________________________
Second Client Name (Joint Account)

______________________________
Second Client Signature (Joint Account)

______________________________
Date (Joint Account)

## INITIAL TRADING LEVEL AGREEMENT

With respect to the Advisory Agreement (the "Agreement") executed by the undersigned Client and Schindler Capital Management, LLC (the "Advisor'), this letter will confirm the following pursuant to the Agreement:

| Advantage Program Name (Dairy, Institutional Dairy or Grain) | Cash Deposited by Client into FCM Trading Account | Notional Funding Component | Total Nominal Account Size (Cash plus Notional) |
|---|---|---|---|
| | | | |

- Actual cash additions to the account will increase the Account Size.
- Actual cash withdrawals made from the account will reduce the Account Size.
- Profits made in the account will increase the Account Size.
- Losses in the account will decrease the Account Size.
- Client understands that any management fees will be charged based on the Account Size.
- Any changes to this Initial Trading Level Agreement must be made in writing, by the Client, and contain an effective date.

**For Entity Clients:**

Client Name

By (Print Name)

Title

Authorized Signatory

Date

**For Individual/Joint Clients:**

Client Name

Signature

Date

Second Client Name (Joint Account)

Second Client Signature (Joint Acct)

Date

**Schindler Capital Management, LLC**

By (Print Name)

Title

Authorized Signatory

Date

## ADVISORY AGREEMENT

This ADVISORY AGREEMENT is entered into as of this ____ day of ________, 20____, by and between Schindler Capital Management, LLC, a Minnesota Limited Liability Company (the "Advisor"), located at 22843 Cedar Lane, Fergus Falls, Minnesota 56537, and __________________________________________ ("Client") who resides or does business at ________________________________________________________ City of ______________________________________ (State)____________________________ (Zip) __________________, (Country) ______________________________.

WHEREAS the Client wishes to retain the Advisor to manage one or more commodity trading accounts for the Client (collectively, the "Account(s)") pursuant to the Advisor's Advantage Program(s), and that the Client will establish for that purpose a trading account or accounts with ____________________________ (Indicate name of FCM here) ("Futures Commission Merchant"); and the Client hereby acknowledges receiving, reading, and understanding the Advisor's commodity trading advisor Disclosure Document dated **May 31, 2018**, (the "CTA Document"), as filed with the Commodity Futures Trading Commission ("CFTC") and the National Futures Association ("NFA"), as applicable.

NOW THEREFORE, the parties agree as follows:

THIS AGREEMENT IS ENTERED INTO BASED UPON THE FOLLOWING REPRESENTATIONS:

The Client represents that he has speculative capital for the principal purpose of investing in futures and options on futures contracts and has been informed and is fully cognizant of the possible high risks associated with such investments.

IT IS MUTUALLY AGREED THAT:

1. The Client shall deposit with Futures Commission Merchant ("FCM") actual funds and/or securities in the amount of $____________________. The relationship between the FCM and Client is not and shall not become the responsibility of the Advisor. The Advisor is not liable for the executions of transactions (once the orders are placed with the FCM). The FCM is solely responsible for the transmission of daily transaction statements and monthly activity statements. The FCM is also responsible for the custody over the Client funds.

   The client requests that the FCM furnish copies of all daily confirmations and monthly activity statements to the Advisor.

2. As compensation for the services to be rendered by Advisor pursuant to this Agreement, and for so long as this Agreement is in force and effect, Customer shall pay to Advisor a monthly Management Fee and a monthly Incentive Fee, as follows:

   <u>Management Fee</u>. A Management Fee of 2% per annum of the Net Asset Value of the account under management. The monthly Management Fee is the sum of that month's daily management fees, which are each calculated as 1/365 of the annual management fee rate multiplied by the daily Net Asset Value as of the end of each day. The Management Fee shall be calculated before any Incentive Fee (as defined below) is subtracted from the Account. The Management Fee shall be due regardless of whether any profits were achieved for the month or whether any trading activity took place during the month.

   The term "Net Asset Value" of the account under management shall mean the amount of actual funds allocated to trading, plus or minus cumulative profits or losses, plus accrued interest, plus additional deposits, minus withdrawals, and minus all management and incentive fees due. Cumulative profits or losses include both realized and unrealized profits or losses, after deducting commissions and transaction charges payable with respect to such positions.

   <u>Incentive Fee</u>. A monthly Incentive Fee, calculated as of the close of business on the last day of each month, equal to 20% of New Net Profits. New Net Profits shall be computed using this formula: realized profit and loss during the month plus the change in unrealized profit and loss on open positions from the end of the previous month, minus all

brokerage commissions and transaction fees and other fees and charges paid or accrued during the month and minus cumulative net realized loss, if any, carried over from previous months. Cumulative net realized loss shall be computed by totaling all net realized profit in each month in which there was such a profit and subtracting from this figure all net realized loss in each month in which there was such a loss; provided that the full cumulative net realized loss shall not be carried over where a withdrawal has occurred. Instead, a portion of the loss (calculated by dividing the withdrawn amount by the total under management and multiplying the result by the cumulative net realized loss) attributable to the withdrawn amount shall first be subtracted from the cumulative net realized loss.

The Incentive Fee shall be calculated and shall accrue monthly. If the Account does not have New Net Profits in a given month, no Incentive Fee shall be due to Advisor unless and until the Account experiences New Net Profits in a subsequent month. The amount of the Incentive Fee due to Advisor, if any, shall be determined independently with respect to each month, and the amount of any such fee paid shall not be affected by subsequent losses experienced in Customer’s Account.

Following the end of each month, Advisor shall request payment of such Management Fees and/or Incentive Fees by the FCM, for full payment by it within five business days.

If a client terminates the Advisor’s power of attorney at any time prior to the last trading day of the month, then any incentive fee due will be calculated as of the last day the Advisor maintained discretionary authority.

The Client expressly agrees that any such fees due the Advisor shall survive the termination or other expiration of this agreement.

3. The Advisor will trade futures contracts and options on futures contracts and will have the exclusive authority to issue all necessary instructions to the Broker. All such transactions shall be for the account and risk of the Client.

4. The Advisor will seek capital appreciation in the Client's account by trading speculatively in futures and options on futures on both domestic and international exchanges.

5. The Client may withdraw capital from the account at any time. The Client should provide the Advisor with advanced written notice of such intention to withdraw funds so the Advisor may adjust the Client account accordingly (i.e. exit any existing trades in the account). The Advisor will not initiate any new positions once the notice is received. If the Client does not provide advance notice, the Client’s account could suffer unanticipated losses. The Client may add capital to the Account at any time with the prior approval of the Advisor and shall promptly notify the Advisor of any such intended action.

6. This power of attorney shall remain in full force and effect unless and until this account is closed; or until the Advisor revokes its discretion, in writing, to the Client; or until such revocation is received by the Advisor, in writing, from the Client. Upon receipt of the revocation notice, Client must instruct Advisor, in writing, on how to handle any open positions. The Client may request one of the following from the Advisor: 1) The Advisor should not initiate any new positions and should immediately liquidate all open positions by the close of the business today; or, 2) The Advisor should not initiate any new positions and should liquidate all open positions over a period of time in accordance with the Advisor’s Advantage Program; or, 3) The Advisor should not initiate any new positions and should not liquidate any open positions as Client would assume the responsibility for offsetting open positions. Upon termination of this agreement, the subsequent management of the Account shall be the sole responsibility of the Client. If Client does not provide written instructions, the Advisor shall follow option number 2).

7. The Advisor's recommendations and authorizations shall be for the account and risk of the Client. The Advisor makes no guarantee that any of its services will result in a profit to the Client. The Client has discussed the risks of futures trading with the FCM and understands those risks. The Client assumes the responsibility of losses that may be incurred.

8. The Client agrees to execute a "Limited Trading Authorization & Power of Attorney" with his/her FCM authorizing the Advisor to enter orders for commodity interests for the Client's account.

9. The Client agrees to promptly review all account statements from the FCM, and any statements that may be sent to the Client by Advisor. Such statements shall be binding on the Client unless a prompt written objection from the Client is received by the FCM or the Advisor, as the case may be. The Client acknowledges that the Advisor has no obligation to provide any statements or other reports relating to the Account.

10. Client represents that it will not place any trades into the account directed by the Advisor and will not authorize any party other than the Advisor to trade the Account.

11. Client represents that neither the Advisor nor its principals have made any guarantee as to profitability. The Client understands that any actual past performance results it may have received is not a guarantee that the Client may or will realize the same or better results in the future since **PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS**.

12. The services of the Advisor are not exclusive to the Client, and the Advisor shall be free to have other clients, and render trading advice to such clients, including the same advice as given to other clients. The Client acknowledges all advice from the Advisor is the sole property of the Advisor, and may not be revealed to others by the Client.

13. If Client is a commodity pool, its operator (as defined in CFTC Regulations) is either registered with the CFTC and a Member of NFA, or exempt from such registration.

14. Client understands that the Advisor may charge other clients fees that are different from and possibly more favorable than the fee structure arrived at between the Advisor and Client.

15. The Advisor will not be liable to the Client or to others except by reason of acts constituting willful malfeasance or gross negligence as to its duties herein, and disclaims any liability for human or machine errors in orders to trade or not to trade Commodity Interests.

16. In the event that any provisions of this Agreement are invalid for any reason whatsoever, all other conditions and provisions of the Agreement shall, nevertheless, remain in full force and effect.

17. No persons may make any representation about this Agreement or the Advisor except those stated in the Disclosure Document of the Advisor, and this Advisory Agreement. Any such representations are to be considered false, and the Client will not hold the Advisor liable for any such false claims, statements, or representations.

18. By depositing funds with the FCM, the Client acknowledges and accepts the propriety of the Advisor's Advantage Program(s) and his/her suitability to bear the economic risk of loss in commodity trading in Commodity Interests.

19. The Client agrees to execute any and all documents required by the FCM, the Advisor, and or any regulatory agency that has jurisdiction over the Account, as may be necessary to open and maintain the Account and to provide the Advisor the authority to trade and manage the Account.

20. The Advisor shall maintain its registration as a Commodity Trading Advisor with the Commodity Futures Trading Commission and its Membership with National Futures Association.

21. This Agreement may not be assigned by either party without the prior written consent of the other party. This Agreement shall inure to the benefit of the parties hereto and their respective successors and assigns.

22. This Agreement shall be construed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties have executed this Advisory Agreement as of the day and year first written above.

**Schindler Capital Management, LLC**

| | |
|---|---|
| By (Print Name): | Signature: |
| Title: | |

| **For Entity Clients:** | **For Individual/Joint Clients:** |
|---|---|
| Client Name | Client Name (Print) |
| By (Print Name) | Signature |
| Title | Date |
| Authorized Signatory | Second Client Name (Joint Account) |
| Date | Second Client Signature (Joint Account) |
| | Date (Joint Account) |