

# **SHRI CAPITAL, LLC, CTA**

**8563 Autumn Harvest  
Ellicott City, MD 21043**

**Telephone: 480-600-5828**

**REGISTERED WITH THE  
COMMODITY FUTURES TRADING COMMISSION**

AS A

## **COMMODITY TRADING ADVISOR**

**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 information and opinions contained herein are subject to change or revision subsequent  
to the date of this Disclosure Document.

**THE DATE OF THIS DISCLOSURE DOCUMENT IS:**

**May 20, 2008**

**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:**

**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 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 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 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 PROFIT TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS ON PAGE SIX AND SEVEN, 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 MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT STARTING AT PAGE FIVE.**

**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.**

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### **THE ADVISOR:**

Shri Capital, LLC, CTA is a Limited Liability Company, with its place of business at 8563 Autumn Harvest, Ellicott City, MD 21043. The telephone number is 480-600-5828. Shri Capital, LLC, CTA, has been registered with the Commodity Futures Trading Commission ("CFTC"), and the National Futures Association, ("NFA") as a Commodity Trading Advisor (CTA) since August 24, 2004, and has been an NFA member since August 30, 2004. Shri Capital will begin using this disclosure document on May 20, 2008.

### **BUSINESS BACKGROUND OF THE PRINCIPALS:**

#### **Hrushikesh "Rishi" Nalubola:**

Mr. Nalubola received an M.B.A. from George Washington University in 2000. During that time, from February of 1996 to August 2001, he was a Sr. Design Engineer and Lead technical engineer for Philips Semiconductors, a designer and producer of integrated circuits located in Baltimore, Maryland. He was later involved in strategic positioning of the semiconductor business, competitive analysis and promotion of the company at trade shows and conferences. In August of 2001, he became a Marketing Manager for Philips Semiconductors located in Tempe, Arizona. Upon leaving Philips in September 2002, Mr. Nalubola remained unemployed until he formed Shri Capital, LLC, as he developed and refined his trading strategies that he will be employing in this trading program.

### **INTRODUCING BROKER ("IB") AND FUTURES COMMISSION MERCHANT ("FCM"):**

A customer must execute an investment advisory agreement with the CTA. A customer must establish an account with a Futures Commission Merchant (FCM) or an Introducing Broker (IB). A customer is free to choose the FCM or IB of his choice. Customers who have no predisposition about an FCM or an IB are encouraged to consider Peregrine Financial Group or any of its IBs.

### **LITIGATION: SHRI CAPITAL AND ITS PRINCIPAL:**

There have been no material administrative, civil or criminal litigation against Shri Capital or Mr. Hrushikesh Nalubola, in the last five years, and there are none pending, concluded or on appeal.

### **LITIGATION: PEREGRINE FINANCIAL GROUP, INC.:**

Peregrine Financial Group, Inc. ("PFG") is an Iowa corporation with its principal address at 190 S. LaSalle Street, 7<sup>th</sup> Floor, Chicago, Illinois 60603. PFG is registered with the Commodities Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM") and is a member of the National Futures Association ("NFA").

During the five years preceding the date of this Disclosure Document, PFG was the subject of one administrative action initiated by the Division of Trading and Markets of the Commodity Futures Trading Commission ("CFTC"), and one Business Conduct Committee action by the NFA, as shown below.

On June 9, 2004, NFA's Business Conduct Committee ("BCC") issued a Complaint to Peregrine Financial Group ("Peregrine"). The Complaint alleges that Peregrine failed to comply with an Order issued by NFA's Membership Committee, in violation of NFA Compliance Rule 2-5. On June 9, 2004, NFA's BCC issued a Decision to Peregrine accepting Peregrine's settlement offer in which the firm neither admitted nor denied the allegations of the Complaint. The BCC ordered that Peregrine pay a \$5,000 fine within thirty days of the date of the Decision. The BCC also ordered that Peregrine adopt, and submit to NFA within thirty days of the date of the Decision, procedures to ensure future compliance with NFA's Compliance Rules as they relate to the supervision of conditioned registrants. Finally, the BCC ordered that Peregrine adopt, and submit to NFA within thirty days of the Decision, procedures to ensure future compliance with all provisions of the Amended Final Order Granting Conditional Registration to Dominick Concilio, dated May 20, 2002. This Decision becomes effective on June 24, 2004.

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During the course of the March 1999 audit conducted by the CFTC, it was discovered that PFG's interpretation of the requirements of the Act and Regulations did not comply with the CFTC's interpretation of it. The major discrepancy in question was related to the classification of "current assets" vs. "non-current assets." As a proactive step PFG has implemented initiatives and changes to our accounting practices and regulatory reporting. On September 7, 2000, the CFTC accepted an offer of settlement submitted by PFG in which, without admitting or denying the allegations, PFG agreed to pay a fine of \$90,000. In addition, PFG, without admitting or denying the necessity of the adjustments, has complied in full with the CFTC to meet their interpretations of the regulations and industry accounting restrictions by reclassifying certain assets as non-current. These adjustments have not, nor will they, affect the operations or financial stability of the company. PFG has not assisted in the preparation of this disclosure document except to the extent that it has provided information relative to a description of itself, its limited role and the material legal proceedings that involves PFG. PFG is not connected in any way with this trading program, other than in its capacity as an FCM for the Customer's account.

Other than the aforementioned matter, there has been no other material administrative, civil, or criminal proceedings against PFG or any of its principals with the preceding 5 years of the date of this Disclosure Document that would be material to a client's decision to open and maintain a commodities account with PFG.

### **PRINCIPAL RISK FACTORS OF THIS TRADING PROGRAM:**

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 Managed Account Program. Prospective customers should consider all of the risk factors described below and elsewhere in this Disclosure Document before participating in any Program.

Computer Trading: Advisor utilizes a method of trading in which he use computer-generated information to determine trending markets. If Advisor is incorrect in his interpretation of this information, the account may suffer a loss. Further, although steps are taken by the Advisor to minimize such problems, be aware that in certain situations such as power failures, virus attacks, loss of hard drives, etc, computer systems can be vulnerable.

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 purchase 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

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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. 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 written, and risk on the put option of the amount should the price of the futures contract drop to zero.

Positions held overnight: For positions held overnight or longer, there is a higher margin requirement than for day trading. These higher margins will commit a greater amount of your equity to the trade, and could affect the degree to which the trading portfolio can be diversified.

Counterparty Credit Worthiness: Under CFTC regulations, FCM's 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 its 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 its assets held by such futures broker.

### **TRADING PROGRAM: Market Neutral**

Shri Capital's, trading methods are proprietary and confidential. The following description is of necessity and is not intended to be exhaustive.

The Market Neutral program will engage primarily in a program of selling or "writing" options (puts and calls) on S&P500 index futures. Shri may also purchase options or buy or sell futures contracts, and may also use hedge strategies such as option spreads, strangles or straddles.

The Advisor will use both technical and fundamental analysis to assist in determining possible trades. The Advisor will employ such technical indicators as RSI, moving averages and chart cycles. If the technical factors appear to indicate a favorable environment for entering a position, the Advisor will examine market fundamentals to see if the trade will be made.

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Technical analysis is based on the theory that a study of the markets themselves will provide a means of anticipating futures prices. Technical analysis of the markets often includes a study of the actual daily, weekly and monthly price volume, moving averages, stochastics and open interest data, utilizing charts and or computers for analysis of these items.

Fundamental analysis is based on the anticipated supply and demand of cash (actual) commodity; as well as other such factors that are external to market operations. The factors include such things as employment-GDP reports, inflation indicators, import/export numbers and strength of the dollar.

### **COMMODITIES AND OPTIONS TRADED:**

The primary contracts traded by the Advisor are the stock index, financial, currency (U.S. Exchanges only), energy and metal futures and options. The Advisor reserves the right to trade any and all commodity futures contracts, futures spreads and options on futures. The Advisor will make decisions, such as when to add or delete a commodity from his trading list due to an increase or decline in volatility, or when to stop trading a particular contract month and begin trading another.

### **FEE STRUCTURE:**

Each customer of the Advisor will be charged, as a maximum, the fees as set forth below, and the Advisor reserves the right to negotiate the fees on an individual basis. In some cases, the Advisor may share a portion of his fees with properly registered persons or organizations that have provided operational, marketing, or execution services.

#### **COMMISSION FEE:**

The customer will be charged a commission of \$30 per round-turn inclusive of all Exchange and NFA fees for accounts traded through the recommended FCM. The Advisor does not share any portion of the commission fee charged to the customer accounts by the recommended FCM, and has no conflicts of interest in this regard. The advisor does not receive any indirect compensation from PFG or any other FCM.

#### **INCENTIVE FEE:**

The Advisor will charge a monthly incentive fee of either 20% or 25% of net new profits. Net new profits include; profits, if any, on all closed positions, and profits if any, on open positions. The profits on open positions are not "realized" profits, and they are carried over into the following month. In the following month, these unrealized profits could be lost or realize a further gain. Gains and losses will be net after commissions, management and incentive fees. In order for an incentive fee to be payable, the net new profit value at the end of the month must exceed the highest adjusted net new high profit value of any previous month. The "highest adjusted net new high profit" simply means the highest profit achieved in the account after being adjusted down for the fees charged to the account. The incentive fee will be calculated on the last trading day of each month, as is due and payable on the first business day of the month following the month in which the fee has been earned.

#### **MANAGEMENT FEE:**

The Advisor will charge a Management Fee of 2% per year, at the rate of 1/6 of 1% per month of the ending net asset value on accounts paying 20% incentive fee. "Ending net asset value" is the sum of all cash and cash equivalents and current market value of all open futures and options positions. The management fee will also be adjusted for any deposits or withdrawals. Deposits to the account will increase the management fee and similarly withdrawals from the account will reduce the management fee charged to the account. Management fee will not be charged on accounts paying 25% incentive fee. This fee will be assessed on accounts paying 20% incentive fee whether or not the account made money for the month.

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The client has the option to choose from either of the two fee structures, a 25% incentive fee with 0% management fee or a 20% incentive fee with 1/6 of 1% monthly management fee.

### **CONFLICTS OF INTEREST:**

Also, as stated herein and below, the principal of the Advisor trades for his own accounts. If trades of the principal of the Advisor are “blocked”, with those of its customers of the Advisor, the Advisor will, in accordance with ethical trading practice, ensure that assignment of any “split fills” is consistent and equitable. Other than the statement above, the Advisor has no arrangements with any other entity or individual that would cause a potential conflict of interest.

### **OWN ACCOUNT:**

The Advisor does not have any accounts but the principal of the Advisor trades for his own accounts . You should be aware that the trading activity in these accounts might significantly differ from the trading activity in a client’s account. There is no assurance that the trading results in the proprietary accounts will be the same as the performance in a customer’s account since these accounts may be traded more aggressively. The records for the proprietary account of the principal of the Advisor traded pursuant to the “Market neutral” program will be available for review by the customers of the Advisor, with principal of the Advisor’s permission, at the Advisor’s place of business, during business hours, and by appointment only. All other records for other proprietary accounts will not be available for inspection.

### **ACCOUNT SIZE:**

The minimum account size for the Shri Capital Advisor program is \$50,000, however, the Advisor reserves the right to waive the requirements on a case-by-case basis.

### **REPRESENTATION:**

No persons may make any representations about this trading program or the Advisor except those stated in this Disclosure Document of the Advisor. 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.

**PAST PERFORMANCE**

**THE FOLLOWING IS A CAPSULE PRESENTATION OF THE COMPOSITE PERFORMANCE OF THE ACCOUNTS TRADED IN ACCORDANCE WITH THE “MARKET NEUTRAL” TRADING PROGRAM BEING OFFERED HEREIN.**

**NOTE: The composite performance takes into consideration the commission charge, the incentive fee, and the management fee.**

<b>Month*</b>	<b>2007</b>	<b>2008</b>
January	-	-12.81%
February	-12.08	-0.48
March	3.50	10.39
April	-7.62	8.43
May	11.62	6.48
June	2.18	
July	-9.21	
August	21.74	
September	5.46	
October	4.63	
November	4.81	
December	0.74	
<b>Y-T-D</b>	<b>26.63%</b>	<b>10.59%</b>

**General Information Regarding the Advisor**

Name of Advisor: Shri Capital LLC

Date the Advisor began trading this program: October 1, 2003

Date the Advisor began trading client accounts: Jan 22, 2007

Total assets being traded under the program \$ 460,000

Number of accounts traded pursuant to the program as of 06/2/2008: 4

Number of accounts Open with a profit: 4

Number of accounts Open with a loss: 0 (The losses range from N/A)

Number of accounts Closed with a profit: 0 (The profits ranged from N/A)

Number of accounts Closed with a loss: 0 (The losses ranged from N/A)

Largest Monthly Percentage Draw-Down: 12.81% in Jan 2008\*\*

Worst Peak-to-Valley Percentage Draw-Down: -13.23% Dec 2007 – Feb 2008\*\*\*

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

***No representation is being made that a client's account will or is likely to achieve profits or incur losses similar to those shown.***

\* Monthly Rate of Return - Computed by dividing the net change in balances by beginning balance. No capital is removed or added to the account.

\*\* Largest Monthly Percentage Draw-Down represents the largest loss in any calendar month expressed as a percentage of beginning account balance.

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\*\*\* Worst Peak-to-Valley Percentage Draw-Down means the greatest cumulative percentage decline in month-end account balance due to losses sustained during any period in which the initial month end account balance is not equaled or exceeded by a subsequent month end account balance.

**THE FOLLOWING IS A CAPSULE PRESENTATION OF THE COMPOSITE PERFORMANCE OF THE PROPRIETARY ACCOUNT OF THE PRINCIPAL OF THE ADVISOR. THIS ACCOUNT WAS TRADED IN ACCORDANCE WITH THE "MARKET NEUTRAL" TRADING PROGRAM BEING OFFERED HEREIN.**

**NOTE: The composite performance takes into consideration the commission charge, the incentive fee, and the management fee.**

<b>Month*</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
January	-	3.46%	7.39%	5.58%	2.56%	-12.81%
February	-	2.87	-4.82	2.36	-12.08	-0.48
March	-	-1.10	-4.79	2.63	3.50	10.39
April	-	4.30	2.51	2.26	-7.62	8.43
May	-	2.75	3.22	1.26	11.62	6.48
June	-	4.55	2.02	5.83	2.18	
July	-	5.78	0.14	3.30	-9.21	
August	-	0.59	4.59	0.28	21.74	
September	-	3.26	3.08	1.96	5.46	
October	0.90%	-6.93	-3.42	2.94	4.63	
November	3.22	-12.12	3.00	-3.31	4.81	
December	0.21	-0.07	3.46	3.02	0.74	
<b>Y-T-D</b>	<b>4.40%</b>	<b>5.91%</b>	<b>16.74%</b>	<b>31.62%</b>	<b>26.63%</b>	<b>10.59%</b>

Name of the Principal: Hrushikesh Nalubola

Date the Principal of the Advisor Began Trading this program: October 1, 2003

Proprietary Funds being traded under the program: \$ 125,000

Largest Monthly Percentage Draw-Down: 12.81% in Jan 2008

Worst Peak-to-Valley Percentage Draw-Down: 20.46% Sept 2004 – Mar 2005

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

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**Telephone: 480-600-5828**

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## **COMMODITY TRADING ADVISOR**

### **NOTICE TO THE CUSTOMER:**

**PLEASE READ AND SIGN THE APPROPRIATE PAGES OF THIS  
ADVISORY AGREEMENT. THEN, RETAIN THE DISCLOSURE  
DOCUMENT, BUT RETURN THE ENTIRE ADVISORY INCLUDING  
THE SIGNATURE PAGE TO THE ADVISOR**

**ADVISORY AGREEMENT  
OF  
SHRI CAPITAL, LLC, CTA  
8563 Autumn Harvest Way  
Ellicott City, MD 21043  
Telephone: 480-600-5828**

This Advisory Agreement, ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
between Shri Capital, LLC, CTA, ("Advisor"), and \_\_\_\_\_,  
("Client"), who resides at

\_\_\_\_\_ at  
City of \_\_\_\_\_ State \_\_\_\_ Zip \_\_\_\_\_, Country \_\_\_\_\_.

**WHEREAS**, the Client represents that he or she has speculative capital for the purpose of trading in commodity futures contracts, and he or she represents that they are able to tolerate adversity in their account, including the possible loss of their entire investment. The Client further represents that he or she has read and understands the Advisor's "Disclosure Document", including, and especially, the risk disclosure statement, and:

**WHEREAS**, the Advisor offers an advisory service for the management of commodity accounts pursuant to which trading decisions are guided by the Advisor's proprietary trading program, and; the Client wishes to subscribe to the Advisor's trading program under the following terms and conditions:

**THEREFORE**, the Advisor and the Client mutually agree to the covenants herein contained.

1. The Client will promptly open, or currently has opened, a commodity trading account ("Account") with a Futures Commission Merchant, ("FCM"), 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 transaction statements and the periodic Account statements. The FCM is also responsible for the custody over the Client funds.

The Client hereby requests that the FCM furnish copies of all trade confirmations and periodic Account statements to the Advisor.

**LIMITED POWER OF ATTORNEY:**

2. The Client hereby appoints the Advisor as his or her true and lawful attorney-in-fact, with full power to act and with full power of substitution and revocation in his or her name, place, and stead to enter orders to buy and sell (including short sales), spread, or otherwise trade futures contracts, cash markets Exchange For Physicals (EFP), and or commodity futures options. Advisor shall have full authority to communicate such orders directly to the FCM and the FCM is hereby authorized to accept and execute all such orders. The Client will not trade the Account and will not authorize any party other than the Advisor to trade the Account. This Power of Attorney shall remain in full effect unless and until this Account is closed, or until such revocation is received by the Advisor, in writing, from the Client. Such revocation shall not affect any open position, which will be closed upon receipt of the notice. The Client acknowledges that the FCM has no responsibility to review, approve or monitor the orders entered by the Advisor, and hereby agrees to indemnify and hold harmless the

FCM and its employees with respect to this responsibility and any responsibility with regard to the duties of the Advisor.

**EXCLUSIVITY:**

3. 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.

**DOCUMENTS:**

4. 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. The Advisor shall maintain his registration as a Commodity Trading Advisor with the National Futures Association, and the Commodity Futures Trading Commission.

**TERMINATION AND NOTICES:**

5. After the agreed upon six (6) month required participation, either party may terminate this Agreement by giving three (3) business days written notice. Upon receipt of this notice from the Client, or three (3) days after notice has been delivered to Client, Advisor will liquidate all open positions of the Client. Such notice shall be delivered by registered or certified letter to the address included within this document. Such notice of termination shall have no effect upon liabilities and commitments made or accrued prior to such termination, nor on open positions yet to be liquidated. The subsequent management of the Account shall be the sole responsibility of the Client.

**FEE STRUCTURE:**

6. Each customer of the Advisor will be charged the fees set forth in the disclosure document of the Advisor.

**EARLY ACCOUNT CLOSING:**

7. In the event a Client closes his Account on any day which is not the end of the month, the incentive fee and management fee will be calculated as of the closing day, as if it were month end. All open commodity positions shall be calculated at their then market value. With respect to open commodity positions, the settlement price is determined by the exchange on which the transaction is effected, or the most recent appropriate quotation as supplied by the Clearing Broker, or Banks through which the transaction is effected. If there are no trades on the date of the calculation due to the operation of the daily price fluctuation limits or due to a closing of the exchange on which the transaction is executed, the contract will be valued at the fair market value based on the last posted settlement price.

**OTHER RISK FACTORS:**

8. The Client acknowledges and agrees that he or she has read and understood the Disclosure Document of the Advisor here attached. The Client understands that the Advisor's recommendations and authorization to trade shall be for the Account and risk of the Client.

9. The Client agrees to execute a limited trading authorization with the FCM authorizing the Advisor to enter orders to trade futures contracts and or options on futures contracts. It is further understood that the Advisor has no responsibility for the proper execution of orders by the FCM, once such orders are entered by the Advisor.

10. The Advisor makes no guarantee that any of its services will result in a profit, or will not result in a loss for the Account. The Client agrees that he or she will immediately inform the Advisor if and when they become dissatisfied with the Advisor's handling of the Account.

11. The Client assumes the responsibility for losses that occur in the Account from whatever source. 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 order placement and execution.

**ARBITRATION:**

12. Any controversy between the parties hereto involving the construction or application of any of the terms, covenants, or conditions of this Agreement, shall on written request of one party served on the other be submitted to arbitration, and such arbitration shall comply with and be governed by the provisions of the National Futures Association Code of Arbitration. Such arbitration shall take place within a fifty (50) mile radius of Ellicott City, MD.

**REPRESENTATION:**

13. 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.

**VALIDITY:**

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

**ENTIRE AGREEMENT:**

15. This Agreement constitutes the entire agreement between the parties, and no modification or amendment of this Agreement shall be binding unless in writing and signed by both parties named and whose signature appear on this Agreement. This Agreement cannot be terminated orally, and shall insure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. The captions appearing in this Agreement are inserted as a matter of convenience and for reference only and shall not define, limit or describe the scope and intent of this Agreement or any of the provisions thereof.

**SIGNATURES AND ACKNOWLEDGMENTS:**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written. The parties also authorize Advisor to have Power of Attorney over the trading account as described on page 2 of this Agreement. The parties agree to sign the Power of Attorney forms supplied by the FCM to grant such authority to Advisor.

Client Signature \_\_\_\_\_ Date \_\_\_\_\_

Client Signature \_\_\_\_\_ Date \_\_\_\_\_  
(Joint Account)

**ACKNOWLEDGED RECEIPT OF THE DISCLOSURE DOCUMENT OF:  
SHRI CAPITAL, LLC**

I (we) acknowledge that I (we) have received, read, and understand the Disclosure Document of Advisor, which is dated September 4, 2007.

Client Signature \_\_\_\_\_ Date \_\_\_\_\_

Client Signature \_\_\_\_\_ Date \_\_\_\_\_  
(Joint Account)

**AUTHORIZATION FOR FCM TO PAY ADVISOR**

I (we) hereby instruct the FCM to pay Advisor the monthly incentive fee and the management fee out of assets of my (our) account. Such fee shall be due and payable upon the receipt of the billing submitted by Advisor.

In rendering this service for the convenience of Advisor and the undersigned, you may fully rely on any fee invoices submitted without any duty or obligation to check or verify the accuracy of the fee invoice. The Client(s) and Advisor hereby jointly and severally agree to indemnify the FCM and to hold it harmless from any loss or claim associated with any payment of fees from the Account, the payment of which is subsequently shown to be in error or subject to dispute. I understand and fully agree that commissions will also be charged to my account as set forth in the Disclosure Document of Advisor.

Client Signature \_\_\_\_\_ Date \_\_\_\_\_

Client Signature \_\_\_\_\_ Date \_\_\_\_\_  
(Joint Account)

Advisor Signature \_\_\_\_\_ Date \_\_\_\_\_

**LIMITED POWER-OF-ATTORNEY**

**MANAGED ACCOUNT AUTHORITY AND RISK DISCLOSURE**

Customer hereby authorizes: \_\_\_\_\_ ("Trading Agent") as agent and attorney-in-fact to buy and sell (including short sales) commodities and/or futures and/or options on futures contracts on margin or otherwise for Customer's account and risk. Customer agrees to indemnify and hold Peregrine Financial Group, Inc. ("PFG") harmless for all losses, costs, indebtedness and liabilities arising therefrom.

PFG is authorized to follow the instructions of the Trading Agent in every respect concerning Customer's account with PFG, except that Trading Agent is not authorized to withdraw any money, securities, or other property either in the name of Customer or otherwise.

Customer ratifies and confirms any and all transactions with PFG heretofore and hereafter made by Trading Agent on behalf of or for Customer's account.

Customer acknowledges that the risk factor is high in futures trading and only genuine "risk" funds should be used in such trading. Customer understands that if Customer does not have extra capital he can afford to lose, Customer should not trade in the futures market. No "safe" trading system has ever been devised, and no one can guarantee profits or freedom from loss. In fact, no one can even guarantee to limit the extent of losses. Customer acknowledges that Trading Agent has made no representation concerning limiting loss or guarantying profit.

Even though Customer is granting trading authority to another, Customer should be diligent to closely scrutinize what is going on in Customer's account. PFG shall send Customer a confirmation of every trade made for Customer's account, and a profit and loss statement showing the financial results of each transaction closed out for Customer's account. In addition, PFG shall send Customer monthly statements showing the ledger balance, exact positions in the account, net profit or loss in all contracts closed since the date of the last statement, and net unrealized profit and loss in all open contracts figured to the market. Customer should carefully review these statements. If Customer has any questions, Customer should contact PFG immediately.

Trading authorization over Customer's account terminates only upon written revocation by Customer or the Trading Agent holding the authorization. Therefore, if for any reason Customer wishes to revoke the trading authorization that Customer has given, Customer can only do so in writing.

This authorization and indemnity is a continuing one and shall remain in full force and effect until revoked by Customer by written notice addressed to PFG and delivered to PFG at the office where Customer's account is carried. Such revocation shall not affect any liability in any way resulting from transactions initiated prior to receipt of such revocation. This authorization and indemnity shall inure to the benefit of PFG and that of PFG's successors and agents.

Customer authorizes Trading Agent to trade foreign exchange traded futures and/or Exchange For Physical (EFP) Commodities.

Customer understands and certifies that Customer has the financial resources to enter into the Customer Agreement and the Limited Power-of-Attorney. Customer acknowledges that the trading objectives have been explained to Customer. Customer acknowledges that Customer has received, read and understands the Limited Power-of-Attorney Risk Disclosure and Limited Power-of-Attorney.

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

(Attach a copy of this page for additional signatures.)

**THIRD PARTY LETTER NFA RULE 2-8(e)**

Dear Customer:

The National Futures Association ("NFA") Rule 2-8(e) requires:

An acknowledgment from Customer that Customer has either received:

- a Commodity Trading Advisor ("CTA") Disclosure Document from the Trading Agent, or
- a written statement from the Trading Agent explaining why the Trading Agent is not required to provide a CTA Disclosure Document to the Customer. (Trading Agent must indicate reason for exemption below.)

I, \_\_\_\_\_, the Trading Agent for Customer, am not required to provide a disclosure document to Customer because I am exempt from registering as a CTA with the NFA as indicated below:

- I have provided advice to 15 or fewer persons during the past 12 months and do not hold myself generally to the public as a CTA..
- I am a  dealer, processor, broker, or seller in cash market transaction or  nonprofit, voluntary membership, general farm organization, who provides advice on the sale or purchase of commodities, and any trading advice is solely incidental to the conduct of my business.
- I am registered as an Associated Person with the NFA and my advice is issued solely in connection with my employment as an Associated Person.
- I am a relative of Customer. My relationship to Customer is: \_\_\_\_\_
- I am a foreign advisor, advising foreign nationals.
- Forex Trading only.

[If Trading Agent is a corporation, partnership or other type of association, attach a complete list of all individuals of such corporation, partnership, or other type of association who will exercise trading authority and control over the account.]

\_\_\_\_\_  
Trading Agent's Signature

NFA # (if registered) \_\_\_\_\_

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Customer acknowledges that the Trading Agent has either provided a CTA Disclosure Document to Customer or has provided the reason(s) for an exemption from being registered as a CTA in the foregoing.

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

(Attach a copy of this page for additional signatures.)