

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

IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THE DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF THE PRINCIPAL RISK FACTORS AND EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR ("CTA").

THE REGULATIONS OF THE COMMODITY FUTURES TRADING COMMISSION ("CFTC") REQUIRE THAT PROSPECTIVE CUSTOMERS OF A CTA RECEIVE A DISCLOSURE DOCUMENT WHEN THEY ARE SOLICITED TO ENTER INTO AN AGREEMENT WHEREBY THE CTA WILL DIRECT OR GUIDE THE CLIENT'S COMMODITY INTEREST TRADING AND THAT CERTAIN RISK FACTORS BE HIGHLIGHTED. THIS DOCUMENT IS READILY ACCESSIBLE AT THIS SITE. THIS BRIEF STATEMENT CANNOT DISCLOSE ALL OF THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY MARKETS. THEREFORE, YOU SHOULD PROCEED DIRECTLY TO THE DISCLOSURE DOCUMENT AND STUDY IT CAREFULLY TO DETERMINE WHETHER SUCH TRADING IS APPROPRIATE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. YOU ARE ENCOURAGED TO ACCESS THE DISCLOSURE DOCUMENT BY CLICKING THE LINKS PROVIDED AT [FORMS.ALTAVRA.COM](https://forms.altavra.com). YOU WILL NOT INCUR ANY ADDITIONAL CHARGES BY ACCESSING THE DISCLOSURE DOCUMENT. YOU MAY ALSO REQUEST DELIVERY OF A HARD COPY OF THE DISCLOSURE DOCUMENT AT [FORMSBYMAIL.ALTAVRA.COM](https://formsbymail.altavra.com), WHICH WILL ALSO BE PROVIDED TO YOU AT NO ADDITIONAL COST. THE CFTC HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN ANY OF THESE TRADING PROGRAMS NOR ON THE ADEQUACY OR ACCURACY OF ANY OF THESE DISCLOSURE DOCUMENTS.

QUESTIONS OR COMMENTS: PLEASE EMAIL [CLIENTSERVICES@ALTAVRA.COM](mailto:CLIENTSERVICES@ALTAVRA.COM) OR CALL 1-800-998-7870.

For up-to-date performance information on 90+ managed accounts, please access the alternative investment database\*.

To access the database:

1. Request a pin number at [altavra.com](https://altavra.com).
2. After you receive your pin number, you can access the database at [portfolio.altavra.com](https://portfolio.altavra.com).
3. In the database, click on "List of Programs" at the top of the page to view all of the programs in the database.

\*PLEASE NOTE: There is no fee to access the database. This is not a trial access. The pin number does not expire.

---

THE RISK OF LOSS IN TRADING FUTURES, OPTIONS AND OFF-EXCHANGE FOREX CAN BE SUBSTANTIAL.  
PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

## Clarke Capital Management

### **Program Description: The Global Basic Program**

The Global Basic Program (\$50,000 Minimum) trades approximately 18 domestic and international commodity interests, utilizing five intermediate time-frame models. These five models have been selected for their ability as a group to provide a high return for the amount of exposure or time that a position is held. It should be noted that there will be times when there is significant correlation between markets within a market sector or between market sectors, possibly in an adverse direction to positions held in the client's account. Clients of the Global Basic program should be aware that this factor alone, although there are others, will lead to periods of extreme volatility and possibly very large drawdowns in an investor's equity. The Global Basic program will, at times, have a significantly higher margin to equity ratio than the Worldwide Program, and at other times will trade very lightly due to the selectivity of its models. During periods of higher margin to equity ratios, CCM attempts to counterbalance the inherent increased volatility one would expect with this higher ratio by using five models with relatively short focus. These models have stringent entry techniques when evaluating initial risk and quick acting initial exit techniques. By industry standards these models would probably be classified as intermediate rather than short-term.

### **Program Description: The Global Magnum Program**

The Global Magnum Program (\$100,000 Minimum) trades approximately 19 domestic and international commodity interests utilizing variations of the five models used in the Global Basic Program plus six additional models with similar time frame, risk control and profit-taking characteristics to the Global Basic models. These eleven models have been selected for their ability as a group to provide a high return for the amount of exposure or time that a position is held. It should be noted that there will be times when there is significant correlation between markets within a market sector or between market sectors, possibly in an adverse direction to positions held in the client's account. Clients of the Global Magnum program should be aware that this factor alone, although there are others, will lead to periods of extreme volatility and possibly very large drawdowns in an investor's equity. The Global Magnum program will, at times, have a significantly higher margin to equity ratio than the Worldwide Program, and at other times will trade very lightly due to the selectivity of its models. During period of higher margin to equity ratios, CCM attempts to counterbalance the inherent increased volatility one would expect with this higher ratio by using eleven models with relatively short focus. These models have stringent entry techniques when evaluating initial risk and quick acting initial exit techniques. By industry standards these models would probably be classified as intermediate rather than short-term.

### **Program Description: The Orion Program**

The Orion Program (\$200,000 Minimum) currently trades 27 domestic & international commodity interests, 13 of which are either long or short interest rate contracts reflecting interest rates in the US, EMU, the UK and Australia. Also followed are several US and Non-U.S. currencies, grains, softs, meats, metals and fuels. The program uses seven models. Five of the models are intermediate time-frame focus with similar characteristics to those in the Global Basic and Global Magnum programs. The other two models are long-term models and are variations of two of the more successful models used elsewhere by CCM. It should be noted that there will be times when there is significant correlation between markets within

---

THE RISK OF LOSS IN TRADING FUTURES, OPTIONS AND OFF-EXCHANGE FOREX CAN BE SUBSTANTIAL.  
PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

a market sector or between market sectors, possibly in an adverse direction to positions held in the client's account. Clients of the Orion program should be aware that this factor alone, although there are others, will lead to periods of extreme volatility and possibly very large drawdowns in an investor's equity.

#### **Program Description: The Millennium Program**

The Millennium Program (\$1,000,000 Minimum) currently trades approximately 48 domestic and international commodity interests. 17 of these are either long or short interest rate contracts reflecting interest rates in Europe, the US, Canada, Japan and Australia. The balance of the commodity interests followed are currencies, grains, softs, metals, meats and fuels both foreign and domestic. The number of models used in this program is 27. Unlike many of the other programs of CCM, the Millennium Program uses several very long term models among the 27 in its portfolio. These very long term models generally produce larger profits per trade, but lower profits per day than shorter models. When used in a portfolio with shorter time frame models, as is the case here, they can produce smoother overall equity curves even though these models generally give much more room to a position before exiting. It should be noted that there will be times when there is significant correlation between markets within a market sector or between market sectors, possibly in an adverse direction to positions held in the client's account. Clients of the Millennium program should be aware that this factor alone, although there are others, will lead to periods of extreme volatility and possibly very large drawdowns in an investor's equity.

#### **Management Information: Michael J. Clarke**

Michael J. Clarke, President of Clarke Capital Management Inc., began his financial career in 1983 as an independent contractor, trading equities and options for Rice, Naegle & Associates in Chicago. In 1985 he was hired by Shatkin Investment Corp. to trade the firm's account on the Chicago Board Options Exchange, where the company was a clearing member.

During the stock market "crashes" of 1987 and 1989 many firms and option traders experienced severe losses and were financially hurt. Although Mr. Clarke made profits during both crashes, and indeed was profitable every year he traded options, the subsequent downsizing of equity options arbitrage and lack of order flow from the public caused Clarke to begin to explore other trading opportunities. It wasn't very long before he became interested in futures trading.

After extensive study and computer development, Michael Clarke started trading his first system in 1990. Though there was excellent performance, trading was curtailed after nine months because Clarke was not satisfied with the volatility and risk parameters he was using. Over the next few years he developed new and better strategies. Eventually the systems and techniques currently in use began to take form.

In 1993, Michael Clarke formed Clarke Capital Management, Inc., and registered with the Commodity Futures Trading Commission as a Commodity Trading Advisor ("CTA"). As of 2006, Clarke Capital has seven different trading programs.

*The descriptions above are primarily from the manager's disclosure document.*

---

THE RISK OF LOSS IN TRADING FUTURES, OPTIONS AND OFF-EXCHANGE FOREX CAN BE SUBSTANTIAL.  
PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.