

## 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.

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

## Raithel Investments

### **Program Description: Target Volatility Program**

Since January 2000 this program has utilized stock index futures and options written on them exclusively. The program was modified in August 2002 to reduce the program's volatility through the sale of options somewhat more distant from the future's price than previously.

The program's methodology is a proprietary, systematic, dynamic net (most option positions are hedged) option strangle selling program designed to capture premium decay as indicated above. The program is technical as opposed to fundamental in nature, and is fully quantified utilizing a number of parameters and algorithms. These include, among others, various volatility measures of the volatility of the S&P 500 index itself, methodology used to determine which options to sell, what quantity and expiration month to utilize, and other quantitative determinants, including the determination of exits when necessary whenever a position moves adversely.

### **Management Information**

John D. Raithel has been President of Raithel Investments, Inc. since its inception in June, 1993 and has been a Principal and Associated Person of Raithel Investments, Inc. since August 20, 1993. He also has been President and a Principal of Raithel White & Associates, Inc. since its founding in June, 1995. Raithel White & Associates, Inc. is a corporation that became registered as a CTA and a CPO in August, 1995. These registrations were terminated in January, 1998. In addition, from June, 1993 to April, 1995 he was employed by the Pilgrim Group, a mutual fund company based in Los Angeles, initially serving in the capacity of Sr. Vice President and Head of Fixed Income and then beginning in October, 1994 as Sr. Vice President and Chief Investment Officer. Prior to this, Mr. Raithel was Vice President and Director of Fixed Income at First Union National Bank (now Wachovia) in Charlotte, North Carolina from 4/85 to 4/93. From 8/81 to 4/85, he was employed by Chase Investors Management Corporation in New York, New York (now UBS Asset Management) as Vice President and Sr. Portfolio Manager in the Options and Futures Group. From 2/69 to 8/81, he worked for General American Life Insurance Company in St. Louis, Missouri in the Investment Department.

John D. Raithel received a B.A. (Math) and an M.B.A. (Finance and Statistics) from Texas Christian University. He became a C.F.A. (Chartered Financial Analyst) in 1975 and an A.S.A. (Associate of the Society of Actuaries) in 1980. He has also passed the following NASD examinations: 3, 7, 24, 30, 63, and 65.

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