

# **WHARTON CAPITAL MANAGEMENT, LLC**

DISCLOSURE DOCUMENT

## **AGRICULTURAL FUTURES PROGRAM**

An Illinois Limited Liability Company Registered Under  
The Commodity Exchange Act, As Amended, As a Commodity Trading Advisor

**190 S. LaSalle Street, Suite 3000  
Chicago, IL 60603  
773-425-1418**

**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.**

*No person is authorized by Wharton Capital Management, LLC to give any information, or to make any representations, that are not contained in this Disclosure Document.*

**DISCLOSURE DOCUMENT DATED JANUARY 1, 2017**

## 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 REQUESTED FUNDS WITHIN THE PRESCRIBED TIME, YOUR POSITION MAY BE LIQUIDATED AT A LOSS, AND YOU WILL BE LIABLE FOR ANY RESULTING DEFICIT IN YOUR ACCOUNT.

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 5, 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 PAGES 8-13.

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**

Wharton Capital Management, LLC (“the Advisor”) is an Illinois limited liability company that was formed in November 2010. Since February 2011, the Advisor has been registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity trading advisor, and a member of the National Futures Association (“NFA”).

The Advisor's office is located at 190 S. LaSalle Street, Suite 3000, Chicago, IL 60603. Its telephone number is 773-425-1418. The Advisor was founded by Robert D. Wharton, who currently serves as the Advisor's co-managing member along with Jeffrey R. Apel. As co-Managing Members, Mr. Wharton and Mr. Apel are responsible for managing all aspects of the Advisor's operations, including its trading decisions.

There have never been any material administrative, civil or criminal proceedings against the Advisor or its principals, except as follows:

On December 16, 2015, pursuant to an offer of settlement in which Robert Wharton neither admitted nor denied the rule violation upon which the penalty was based, a panel of the Chicago Mercantile Exchange Business Conduct Committee (“Panel”) found that on August 14, 2012, Mr. Wharton executed two customer orders in the pit to buy and sell 250 expiring Live Cattle futures contracts for the same customer account. The Panel found that the purpose of the orders was to freshen long futures position dates, and that Mr. Wharton knew or reasonably should have known that the offsetting orders avoided taking a bona fide position exposed to market risk, in violation of CME Rule 534. In accordance with the settlement offer, the Panel ordered Mr. Wharton to pay a fine of \$20,000 and suspended his direct access to any trading floor or electronic trading or clearing platform owned by CME Group for ten business days.

The Advisor's past performance information is set forth at pages 13-14 of this disclosure document (“Document”).

## **PRINCIPALS' BUSINESS BACKGROUNDS**

### **Robert D. Wharton – Managing Member**

Robert D. Wharton is the Advisor's founder and co-Managing Member. In this capacity, he is responsible for managing all aspects of the Advisor's operations, including research, trading decisions and trade execution, administration and back office functions, client communications/relations, and capital introductions. He was listed as a principal of the Advisor, and registered as an associated person, in February 2011.

Mr. Wharton, an experienced trader of agricultural futures instruments, has been self-employed as a registered floor broker on the floor of the Chicago Mercantile Exchange (“CME”), trading his own account and executing customer orders, since December 1988. He founded the Advisor to offer discretionary trading services to qualified members of the public pursuant to the Agricultural Futures Program.

Mr. Wharton holds a Bachelor's degree in finance from the University of Nebraska. He resides in Chicago with his wife and children.

### **Jeffrey R. Apel – Managing Member**

Jeff Apel joined the Advisor in April 2014, to assist Bob Wharton with all aspects of the Advisor's operations. In November 2014, Mr. Apel was listed as a principal and registered as an associated person of the Advisor. He currently serves as the Advisor's co-managing member. In this capacity, he is involved with all aspects of the Advisor's operations, including research, trading decisions and trade execution, administration and back office functions, client communications/relations, and capital introductions.

Mr. Apel has been trading in the livestock markets since 1996. He became a Member of the CME in October of 1998, and has been registered as a floor broker since April 2002. Since that time he has been actively involved in order execution and trading in the Livestock markets. Mr. Apel also was registered as an associated person of Refco, LLC, a futures commission merchant, from October 1996 (temporary license granted September 1996) through November 2005.

Mr. Apel attended University of Colorado. He lives in Mokena, Illinois with his wife and kids.

## **DESCRIPTION OF TRADING PROGRAM**

The Advisor currently is accepting accounts in its Agricultural Futures Program (the "Program"). The Program's objective is to achieve substantial profits with relatively low levels of performance volatility. There is no assurance the Program will achieve its objectives or that clients will avoid substantial losses.

The Program primarily involves the speculative trading of futures contracts on grains and meat products. However, the Program is not limited to those markets. In implementing the Program, the Advisor may speculate or trade in any futures or options contract traded on a U.S. futures exchange, either now or in the future (collectively, "Commodity Interests"). Such instruments may include, without limitation, futures contracts (and options thereon) on any of the following: physical commodities in addition to grain and meat products, interest-rate sensitive products, financial instruments, and stock indices.

Because speculative trading in Commodity Interests presents the risk of substantial losses, only persons with the willingness and ability to absorb such losses should consider participating in the Program. See "Principal Risk Factors."

In implementing the Program, the Advisor employs a discretionary combination of technical and fundamental analysis. Fundamental analysis is concerned with any factor that would affect the supply and demand, and therefore the price, of a given Commodity Interest. Technical analysis is based on the theory that the study of the past price action in a given market, rather than external factors that affect the supply and demand of a particular Commodity Interest, provides a means of anticipating future prices. Technical analysis operates on the theory that market prices at any given point in time reflect all known factors affecting supply and demand for a particular Commodity Interest. In accordance with this theory, technical analysts subscribe to the belief that a detailed analysis of, among other things, actual daily, weekly, and monthly price fluctuations, volume variations, and changes in open interest are of predictive value when attempting to determine the future course of price movements. See "Principal Risk Factors: Decisions Based On Technical Analysis" and "Principal Risk Factors: Decisions Based on Fundamental Analysis."

The description of the Advisor's trading methods, and methods of analysis, contained in this Document are necessarily general, and do not constitute a comprehensive discussion of the Program or the Advisor's methodology, as those methods are confidential and proprietary. Any refinements or modifications made to the Program or the Advisor's methods of analysis will not be disclosed to clients or prospective clients, unless such changes are so material that they cause the general descriptions contained in this Document to become misleading or inaccurate.

Prospective clients are encouraged to consult with their own advisors, and read this Document carefully and in its entirety, before participating in the Program.

## **BROKERAGE ARRANGEMENTS**

To participate in the Program, a client must designate to the Advisor the account in which the Advisor is to trade on the client's behalf. The account may be held at any properly registered futures commission merchant ("FCM") selected by the client (the "Clearing Broker"). The Advisor neither recommends nor requires the use

of any particular Clearing Broker, so the selection of the Clearing Broker that holds the client's account is entirely up to the client, and may change at any time in the client's sole discretion upon written notice to the Advisor that is actually received by the Advisor. Clients who wish to use an introducing broker ("IB") may use the IB of their choice.

For ease of execution, the Advisor reserves the right to execute trades through one or more floor brokers or FCMs of its choice (each, an "Executing Broker") and "give-up" the trades to the Clearing Broker maintaining the client's account. Clients subject to give-up arrangements will bear additional transaction-based give-up fees (not to exceed \$2.00 per trade or \$4.00 per round-turn) in addition to commissions and other transaction-based fees for which the client also is solely responsible. Clients who wish to avoid give-up fees may do so by choosing to use the Advisor's Executing Broker as their Clearing Broker.

Clients are responsible to negotiate their commission rates with their FCM/IB of choice.

## **ACCOUNT SIZE AND FUNDING CONSIDERATIONS**

The minimum account size for participation in the Program is \$100,000, subject to the Advisor's discretion to accept smaller accounts. As described below, the Advisor accepts Notionally Funded Accounts, so the account need not be funded with this entire amount.

A "Notionally Funded Account" is an account that is traded by the Advisor as if it were funded with an amount greater than its actual funds on deposit.

The "Notional Funds" associated with an account is the unfunded portion of the account's "Trading Level." "Trading Level" is the dollar amount the Advisor uses to determine the position size it will trade in the account, regardless of the account's funding level.

The following examples<sup>1</sup> may help to illustrate this concept:

Client A opens an account and deposits \$100,000. Client A does not use Notional Funds. The initial Trading Level of Client A's account is \$100,000.

Client B opens an account and deposits \$75,000. Client B instructs the Advisor to trade the account assuming \$25,000 in Notional Funds. The initial Trading Level of Client B's account is \$100,000.

Client A's account is termed a "Fully Funded Account," because it does not employ Notional Funds. Client B's account is termed a "Notionally Funded Account," because a portion of its Trading Level is unfunded. In other words, Client B employs \$25,000 in Notional Funds.

Note that Client A and Client B both have accounts with initial Trading Levels of \$100,000. Because the accounts have the same Trading Levels, the Advisor generally will trade them in the same manner. However, as described in the section captioned "Trading Considerations" the Advisor may at times employ different position sizes in accounts having the same Trading Level.

Please note that these funding examples are illustrative only, and should not be construed as a recommendation from the Advisor regarding the funding level any client should employ. In all cases, the amount of Notional Funds to employ, if any, is in the client's sole discretion. Notionally Funded Accounts present certain risks and benefits that must be weighed by each client in determining the client's personal funding preferences. Notionally Funded Accounts employ a level of leverage greater than the leverage already inherent in the Program, if any. This additional leverage is a powerful tool that might enhance the client's use of capital, and provide certain protections in the event of Clearing Broker failure, but which may also contribute to significant losses. See the section captioned "Principal Risk Factors," particularly including the sub-sections

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<sup>1</sup> These examples are illustrative only, and should not be construed as a recommendation from the Advisor regarding the funding level any client should employ. In all cases, the amount of Notional Funds to employ, if any, is in the client's sole discretion.

captioned: "Commodity Interest Trading is Highly Leveraged/Client May have to Deposit Additional Funds," "Notionally Funded Accounts Present Certain Risks," and "Clearing Broker Failure."

Upon commencing an advisory relationship with the Advisor, the client must designate to the Advisor, in writing, the amount of Notional Funds, if any, the client wishes to employ. At any time during the advisory relationship, the client may change the amount of Notional Funds employed in the client's account, but only in accordance with the following procedures:

A client may reduce the Notional Funds previously designated to the Advisor only by providing written notice to the Advisor, in the form specified by the Advisor. The reduction in Notional Funds will be effective only upon the occurrence of both of the following events: a) the Advisor's actual receipt of such notice in proper form, and b) the Advisor's reduction or other modification of positions, which will occur as soon as practicable in the Advisor's sole discretion following the Advisor's actual receipt of the reduction notice.

A client may increase the Notional Funds employed in the client's account only by written request, in the form specified by the Advisor. Requests to increase Notional Funds will be effective only upon the occurrence of both of the following events: a) the Advisor's actual receipt of such request, and b) the Advisor's acceptance of such request (such acceptance to be evidenced by the Advisor's increasing of position size employed on the client's behalf). The Advisor may refuse to honor increase requests for any or no reason in its sole discretion.

Because Trading Level is based, in part, on the net liquidating value of the client's account, clients also should note that additions and withdrawals of cash, and trading profits or losses, also will change the Trading Level of the client's account.

Clients who wish to employ Notional Funds should be aware of the following disclosures regarding Notionally Funded Accounts:

Clients with Notionally Funded Accounts will experience higher fees and expenses, when expressed as a percentage of cash on deposit in their accounts, than clients with Fully Funded Accounts. The following formula may be used to convert a fee or expense percentage that is based on Trading Level to the corresponding fee percentage expressed in terms of the actual funds on deposit:

$(\text{Trading Level of Account/Actual Funds in Account}) * N = A$ ; where N = the percentage fee based on Trading Level and A = the percentage based on actual funds.

For example, a 2% annual management fee is equivalent to 4% of actual net assets in an account that employs a 50% funding level.

You are reminded that the Trading Level of your account is not the maximum possible loss that your account may experience. You should consult the account statements received from your FCM 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 account's Trading Level, you should be aware of the following:

1. Although your gains and losses, fees and commissions measured in dollars will be the same, they will be greater when expressed as a percentage of account equity.
2. You may receive more frequent and larger margin calls.
3. Notional equity creates additional leverage in an account relative to the cash in such account. This additional leverage results in proportionately greater risk of loss. While the possibility of losing more than all of the cash and securities on deposit in an account is present in all accounts, accounts that contain notional equity have a proportionately greater risk of loss.
4. The following formula may be used to convert the monthly rates of return ("ROR") that are based on Trading Level to the corresponding RORs for particular partial funding levels:

$(\text{Trading Level of Account/Actual Funds in Account}) * N = A$ ; where N = the Rate of Return based on Trading Level and A = the Actual Rate of Return.

## **TRADING CONSIDERATIONS**

The Advisor generally will trade accounts of the same Trading Level in the same manner. However, if the funding levels of certain accounts are too low for the Advisor to implement all positions in such accounts, variations in position size relative to Trading Level may occur. In addition, the Advisor may employ more contracts per a given unit of Trading Level in larger accounts than in smaller accounts, because the additional equity in larger accounts makes it possible for the Advisor to scale into positions as market conditions may warrant in the Advisor's sole discretion. The Advisor also may employ discretion in initiating positions when the Advisor first begins managing an account, or when the Trading Level of an account is increased. During this phase-in period, the account may not fully participate in existing Program positions relative to its Trading Level.

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 clients. Variations in execution may produce differences in performance among client accounts over time.

Order entry may be done by means of a "block" order, which may include positions for unrelated client accounts as well as Proprietary Accounts. The Advisor will assign positions resulting from block orders on a systematic basis and in a non-preferential manner. However, because systematic and non-preferential allocation methodologies, by their nature, do not necessarily result in equitable allocations among accounts, there can be no assurance that the allocation methodology employed will result in the similar treatment of all client accounts over the short- or long-term.

The Advisor may reduce the Trading Level of one or more clients' accounts in its sole discretion, on a pro-rata basis or in a preferential manner, upon the remittance of written notice to the affected client(s). Such reduction shall be effective upon the occurrence of both of the following: a) remittance of the notice, regardless of the client's actual receipt, and b) the Advisor's corresponding reduction of position size in the client's account

## **COMPENSATION TO THE ADVISOR**

In consideration for its services, the Advisor generally receives a monthly Incentive Fee equal to 20% of New Net Profits generated in excess of any Carryforward Loss, and a daily Management Fee, payable monthly, of  $1/365^{\text{th}}$  of 2% (2% annually) of the account's Trading Level as of the close of business on each calendar day. The terms "Trading Level," "New Net Profits," and "Carryforward Loss" are defined below. Fees are negotiable.

The Incentive and Management Fees assessed during any month generally are due and payable as of the close of business on the last day of each month, except that if advisory services are terminated during a calendar month, all fees are due and payable as of the date of termination. If the client's account at the FCM does not hold sufficient funds to cover an invoice, the client must pay the invoiced amount from other sources of funds.

"Trading Level" equals the net liquidating value of the account, less any accrued but unpaid Management Fees and Incentive Fees, plus any Notional Funds employed.

"New Net Profits" for any period is calculated in accordance with generally accepted accounting principles, and includes: (i) the net realized profits and losses resulting from all trades closed out during the period, plus (ii) unrealized profits and losses generated during the period, which is measured as the change in the value of open positions as of the beginning and end of the period, minus (iii) all commissions, transaction fees, and give-up fees assessed during the period, minus (iv) the Management Fee accrued for such period. New Net Profits does not include interest earned in the account, if any, or the Incentive Fee.

The Incentive Fee only applies to New Net Profits above a high-water mark. Accordingly, if New Net Profits for a period are negative, no Incentive Fee shall be accrued for such period, and the negative amount shall constitute a "Carryforward Loss" for the beginning of the next period, and shall be added to any Carryforward

Loss since the last Incentive Fee was earned. The Advisor shall not earn additional Incentive Fees until New Net Profits generated since the last Incentive Fee was earned exceed the aggregate Carryforward Loss recognized since the last Incentive Fee was earned. The effect of this calculation prevents the Advisor from earning Incentive Fees on the recoupment of prior losses. Once an Incentive Fee is earned, the Carryforward Loss is reduced to zero for the beginning of the next period.

If Trading Level is reduced, either by withdrawing cash from the account or by reducing the amount of Notional Funds employed, at a time when there is a Carryforward Loss, the amount of the Carryforward Loss will be reduced in the same percentage as the percentage reduction in Trading Level.

## **CONFLICTS OF INTEREST**

Prospective clients of the Advisor are cautioned that certain actual or potential conflicts of interest may adversely impact their participation in the Program. Among such conflicts are the following:

TRADING AND PERFORMANCE DIFFERENCES. The Advisor and its principals currently trade, and will continue to trade, for their own accounts and the accounts of certain family members (collectively, "Proprietary Accounts"). The Advisor and its principals may or may not trade Proprietary Accounts in the same manner as clients' accounts. The Advisor may conduct experimental trading in Proprietary Accounts to test new trading methodologies, or variations of its basic trading methods and strategies. The Advisor also may trade certain contracts for Proprietary Accounts that it does not trade in client accounts where a given market, or a market at a given time, is illiquid or extremely volatile, thereby assuming a greater degree of risk in Proprietary Accounts than the Advisor is willing to assume for clients.

Moreover, the Advisor may trade the accounts of customers participating in the Program differently than the accounts of other customers. Differences in trading may include, without limitation, trading a larger number of Commodity Interests, trading different markets or positions, and using different degrees of leverage.

Within the Program, variations in position size may occur due to differences in funding levels among accounts having the same Trading Level. For example, an account that is under-margined may not fully participate in Program positions relative to its Trading Level. In addition, the Advisor may employ more contracts per a given unit of Trading Level in larger accounts than in smaller accounts, because the additional equity in larger accounts makes it possible for the Advisor to scale into positions as market conditions may warrant in the Advisor's sole discretion.

For the foregoing and other reasons, certain accounts managed by the Advisor and its principals at times may take positions that are ahead of, or opposite to, those taken in other accounts managed by the Advisor and its principals. The accounts managed by the Advisor and its principals also will pay different fees and commissions. Due to the foregoing and other factors, the various accounts managed by the Advisor and its principals may experience vastly different performance results.

Neither the records of the Advisor's proprietary or client trading, nor the written policies related to such trading, will be available for inspection by clients.

OTHER ACTIVITIES OF THE ADVISOR AND ITS PRINCIPALS. The Advisor and its principals intend to continue to actively solicit and manage other client accounts. In addition, the Advisor and its principals trade, and will continue to trade, for Proprietary Accounts, and may own and manage other businesses. In conducting such activities, the Advisor and its principals may have conflicts of interest in allocating management time and administrative functions.

In addition, the Advisor and its principals may use the same or different trading methods and strategies for clients' and Proprietary Accounts. No assurance is given that the performance of all accounts controlled and managed by the Advisor or its principals will be identical or even similar.

SPECULATIVE LIMITS. The Advisor may find that positions established for the benefit of a particular account, when aggregated with positions in other accounts managed by the Advisor and its principals, approach the speculative position limit in a particular market. The Advisor may address this situation either by liquidating positions in that contract, and reappportioning the portfolio in other contracts, or by trading in other markets that are not subject to restrictive limits. If the Advisor liquidates positions to comply with speculative position limits, such liquidating generally will be done on a pro-rata basis across all accounts under management. However, nothing in this section or otherwise shall restrict the Advisor from exercising its right to reduce the Trading Level of certain accounts on a preferential basis.

INCENTIVE FEE. The monthly Incentive Fee payable to the Advisor is based on a percentage of New Net Profits. This presents a conflict of interest in that the Advisor has incentive to enter riskier trades than it otherwise might, in the absence of incentive compensation, in order to produce greater profits for a client and thereby increase its Incentive Fee. The Incentive Fee vests and is paid monthly, which presents an additional conflict of interest in that the Advisor may have an incentive to stop trading during profitable periods, to lock in its incentive compensation with respect to that month. Because all accounts participating in the Program generally will be traded in the same manner, subject to account size and funding considerations, these conflicts of interest are relevant to all clients participating in the Program, including those who are not subject to Incentive Fees.

TRADING MULTIPLE ACCOUNTS/DIFFERENCES AMONG ACCOUNTS/BLOCK ORDERS. 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 clients. Such variations and differences may produce differences in performance among client accounts over time. In an effort to treat its clients fairly when block orders for clients' accounts are filled at different prices, the Advisor assigns fills on a systematic basis and in a non-preferential manner. However, because systematic and non-preferential allocation methodologies, by their nature, do not necessarily result in equitable allocations among accounts, there can be no assurance that the allocation methodology employed will result in the similar treatment of all client accounts over the short- or long-term.

The Advisor may receive higher fees from some accounts than others. However, except as otherwise described herein, the Advisor generally trades all accounts participating in a trading program, including the Program, in a substantially similar manner, subject to the differences in size and funding among accounts.

TRADING ERRORS. Although the Advisor will attempt to correct trading errors as soon as they are discovered, it is not responsible for poor executions or trading errors committed by brokers or the Advisor. All errors, except those resulting from fraud, deceit, or willful misconduct, will be considered a cost of doing business and borne by the client.

CLIENT REFERRALS/SOFT DOLLAR ARRANGEMENTS. Third parties may refer clients to the Advisor, and/or provide to the Advisor "soft dollar" services or products, such as research, quotes, software, or publications, in exchange for a share of commissions generated from the Advisor's trading on the clients' behalf. These arrangements, or the possibility of attracting such arrangements, give the Advisor an incentive to trade more frequently than it otherwise might, in the hopes that higher trading volume would provide third parties greater incentives to refer clients or provide soft-dollar benefits to the Advisor. Third parties also may refer clients to the Advisor in exchange for a share of the Management and Incentive Fees the Advisor charges to its clients, which gives the Advisor an incentive to charge higher fees that it otherwise might in the absence of fee-sharing arrangements for referrals.

## PRINCIPAL RISK FACTORS

The Advisor engages in the speculative trading of Commodity Interests, a high risk endeavor. Accordingly, there is a high degree of risk associated with participating in the Program, and prospective clients should consult with independent, qualified sources of investment, legal, and tax advice prior to engaging the Advisor's services.

Prospective clients must be aware of, and comfortable with, the proposition that they may rapidly lose amounts in excess of the Trading Level of their trading accounts. Clients should not participate in the Program unless they can afford to lose amounts in excess of the Trading Level of their accounts without experiencing a material change in current lifestyle or future plans.

The following risk factors discuss some of the risks associated with speculating in Commodity Interests through participation in the Program:

COMMODITY INTEREST PRICES CAN BE VOLATILE AND UNPREDICTABLE. Commodity Interest prices can be highly volatile. Price movements in Commodity Interests are influenced by many factors, including, without limitation, changing supply and demand relationships; weather; agriculture; trade, fiscal, monetary and exchange control programs and government policies; domestic and international political and economic events; changes in domestic and international interest rates and rates of inflation; currency devaluations and revaluations; and emotions of market participants. In addition, governments may from time to time intervene, directly and by regulation, in certain markets. Such intervention often is intended to influence prices. The Advisor has no control over these factors, and may be unable to predict or act upon them in a manner that avoids substantial losses.

COMMODITY INTEREST TRADING IS HIGHLY LEVERAGED/CLIENT MAY HAVE TO DEPOSIT ADDITIONAL FUNDS.

The low margin deposits normally required in Commodity Interest trading permit an extremely high degree of leverage. Accordingly, a relatively small price movement may result in immediate and substantial losses. Thus, any trade, or combination of trades, could result in losses well in excess of the amount deposited in a client's account, which could cause the account to: a) become insufficiently margined; or b) fall in value to the point that it has a debit, or negative, balance. If an account is insufficiently margined, the client, and not the Advisor, will receive a margin call from the Clearing Broker holding the client's account. If the margin call is not met in a manner considered timely by the client's Clearing Broker, which could be less than a few hours, the Clearing Broker will close out the client's positions(s), generally at a loss.

In addition, unless and until the client deposits sufficient funds, trading in the account will cease, and the client will be unable to participate in the subsequent recovery period, if any, that might occur following the losses. For this reason, clients who lack sufficient liquidity or risk tolerance to deposit additional funds in the face of losses frequently experience adverse performance relative to clients who keep their accounts adequately margined. Furthermore, if a client's account has a debit, or negative balance, the client is obligated to deposit additional funds to bring the account up to at least a zero balance, even if the client does not wish for trading to continue in the account. A client who refuses to deposit funds to bring a debit account up to zero is subject to legal action by the Clearing Broker holding the debit account or other parties, including (without limitation) indemnifying parties who stand in the Clearing Broker's stead.

The use of notional funding magnifies the effect of leverage inherent in the Program, if any, and consequently magnifies the likelihood that losses in a client's account would cause a debit balance, or result in insufficient margin for the client to continue trading. See the sub-section captioned "Notionally Funded Accounts Present Certain Risks" immediately below, and the separate section captioned "Account Size and Funding Considerations."

NOTIONALLY FUNDED ACCOUNTS PRESENT CERTAIN RISKS. As described in the section captioned "Account Size and Funding Considerations," any client whose account is funded with less than the Trading Level then in effect has a "Notionally Funded Account." Notionally Funded Accounts employ a level of leverage greater than any

leverage already inherent in the Program. When measured against the assets actually deposited in the account, a Notionally Funded Account will experience greater percentage returns and volatility, and pay a higher percentage in advisory fees and commissions, than a Fully Funded Account of the same Trading Level. In addition, although a Notionally Funded Account and a Fully Funded Account of the same Trading Level 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 Clearing Broker, 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 clients' 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. See the section captioned "Account Size and Funding Considerations." Although the Advisor generally will trade accounts of the same Trading Level in the same manner, the Advisor will be unable to implement the full position size in a Notionally Funded Account that contains insufficient funding to support the margin requirement for all positions. For the foregoing and other reasons, the performance of a Notionally Funded Account may differ substantially from the performance of the Advisor's other clients' accounts.

CONCENTRATION OF POSITIONS. Although the Program may at times trade in a number of different Commodity Interest positions, all such positions generally will be concentrated in U.S. agricultural markets. In addition, at any time and from time to time, positions may be further concentrated in only one or a few related markets. During periods of concentrated exposure, the Advisor's clients will not enjoy the benefits of diversification, if any, that could be obtained from trading in a wider array of positions or markets, which could lead to greater performance volatility and/or greater losses.

COMMODITY INTEREST MARKETS MAY BE ILLIQUID. Most United States commodity exchanges limit fluctuation in Commodity Interest prices during a single day through regulations referred to as "daily limits". During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a Commodity Interest has increased or decreased to the limit point, positions cannot be taken or liquidated above or below the limit price. Commodity Interest prices 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 the client account to substantial losses. In addition, the CFTC or the exchanges may suspend or limit trading. Although daily limits reduce liquidity, they do not reduce ultimate losses, as such limits apply only on a day-to-day basis.

CHANGE IN TRADING APPROACHES AND COMMODITY INTERESTS TRADED. The Advisor believes that the development of any trading strategy, including the Program, is a continual process. As such, the Advisor may alter its methods of analysis and trading approach in its discretion. Due to the proprietary and confidential nature of the Advisor's methods of analysis and trading strategies, clients will only be notified of changes or refinements that are so material that they cause the general descriptions contained in this Document to become misleading or inaccurate.

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 clients' equity to the trade, which could affect the degree to which clients' accounts may be diversified.

CLEARING BROKER FAILURE. Each client's assets will be held by the client's Clearing Broker, which is the FCM selected by the client, to hold the client's account. Although FCMs are required to segregate customer funds pursuant to the Commodity Exchange Act, there can be no assurance they will properly do so. In addition, the funds of one customer are not segregated from funds, or risks of trading, by the FCM's other customers. Furthermore, there is no equivalent, in the event of an FCM's bankruptcy, of the Securities Investors Protection

Corporation Insurance applicable in the case of securities broker/dealer bankruptcies. Therefore, in the event of a client's Clearing Broker's bankruptcy, the client, in his capacity as a creditor in a bankruptcy proceeding against the Clearing Broker, could be unable to recover assets held at the Clearing Broker, including assets held in segregated accounts, and assets that are directly traceable to the client.

When an FCM fails, or is expected to fail, it may accept orders on a liquidation-only basis, or may stop accepting orders entirely. In such cases, client accounts held at that FCM may suffer significant losses from positions that cannot be liquidated, and may miss opportunities for profits if the Advisor cannot initiate new positions.

FCMs may fail for many reasons, including, without limitation, accounting improprieties, trading errors, customer defaults on obligations to the FCM, and misuse of customer segregated funds.

The Advisor is not in a position to monitor the integrity and financial health of any FCM, including the Client's Clearing Broker, and assumes no responsibility to do so in any way.

A client who is concerned about the risks of Clearing Broker failure may wish to consider notionally funding the client's account, in an effort to mitigate the impact of the Clearing Broker's bankruptcy by maintaining a smaller cash deposit at the Clearing Broker. The client must weigh and balance the possible benefits notional funding may provide against the potentially adverse implications of notional funding. See the sections captioned "Funding Considerations" and "Principal Risk Factors: Notionally Funded Accounts Present Certain Risks." In all cases, the decision about whether to use notional funding for any reason, including (without limitation) to mitigate the impact of Clearing Broker bankruptcy, is in the client's sole discretion, and therefore is the client's sole responsibility.

RELIANCE ON PRINCIPALS. The incapacity of one or both of the Advisor's principals could have a material and adverse effect on the Advisor's ability to discharge its obligations to its clients.

FUTURE REGULATORY CHANGE IS IMPOSSIBLE TO PREDICT. The futures markets are subject to comprehensive statutes, regulations and margin requirements. In addition, the CFTC and the exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits, or higher margin requirements, the establishment of daily price limits and the suspension of trading. The regulation of futures transactions in the United States is a rapidly changing area of law, and is subject to modification by government and judicial action. The effect of any future regulatory change on the Program or a client's account is impossible to predict, but could be substantial and adverse.

ELECTRONIC TRADING. The Advisor expects to trade through various electronic trading systems. Trades placed by electronic means are governed by the terms of the relevant electronic brokerage trading agreements, and by exchange rules. Electronic trading systems vary in terms of order matching procedures, opening and closing procedures and prices, error trade policies, trading limitations or requirements, qualifications for access, grounds for terminating access, and limitations on the types of orders that may be entered. Additional risk may arise due to limitation or failure of system access, varying response times, and security requirements. In the case of both Internet- and telephone-based systems, there may be additional risks related to service providers and the receipt and monitoring of electronic mail and other correspondence. In the event of electronic system or component failure, the Advisor may be unable to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. In addition, orders may be lost or lose priority. Exchanges may have adopted rules to limit their liability, as well as the liability of brokers and software and communications systems vendors, and the amounts that may be collected for system failures and delays.

Where possible, the Advisor will retain the capability to place orders by other means (i.e. by telephone) during periods when electronic trading is not possible. However, there is no assurance such capabilities will be effective, or that clients will avoid substantial losses.

POTENTIAL INABILITY TO TRADE OR REPORT DUE TO SYSTEMS FAILURE. The Advisor's implementation of the Program depends, to a significant degree, on the proper function of the Advisor's internal computer systems.

Accordingly, systems failures, whether due to third-party failures upon which the systems are dependent, or the failure of the Advisor's hardware or software, could disrupt trading and make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade (even for a short time), could, in certain market conditions, cause a client's account to experience significant trading losses or to miss profitable trading opportunities. Additionally, any such failures could cause a temporary delay in reports to clients.

POTENTIAL DISRUPTION OR INABILITY TO TRADE DUE TO A FAILURE TO RECEIVE TIMELY AND ACCURATE MARKET DATA FROM THIRD-PARTY VENDORS. Implementation of the Program depends, to a significant degree, on the receipt of timely and accurate market data from third party vendors. The failure to receive such data in a timely manner, or the receipt of inaccurate data, whether due to the acts or omissions of such third-party vendors or otherwise, could disrupt trading to the detriment of a client's account, or make trading impossible, until such failure or inaccuracy is remedied. Any such failure or inaccuracy could, in certain market conditions, cause a client's account to experience significant trading losses, or miss opportunities for profitable trading.

FEES PAID TO THE ADVISOR MAY NOT BE DEDUCTIBLE. Prospective clients of the Advisor should consult with their own independent, qualified sources of tax advice to determine the extent to which fees paid to the Advisor will be deductible, if at all. If the fees paid to the Advisor are not deductible, or are not fully deductible, a client may pay tax on more than the net profits generated in the client's account.

COMMENCEMENT OF TRADING. When the Advisor first begins managing an account, or when the Trading Level of an account is increased, the account may be subject to a phase-in period in which it does not fully participate in existing Program positions relative to its Trading Level. This lower level of diversification and/or market exposure may cause the account to perform differently, or worse, than other accounts participating in the Program. There is no assurance that the particular approach the Advisor elects to employ in bringing the account up to full position size will be better than another method it could have employed.

OPTIONS TRADING. The Advisor trades options on futures contracts. Each such option is a right, purchased for a certain price, to either buy or sell a futures contract during a certain period of time for a pre-established price. Although successful options trading requires many of the same skills required for successful futures trading, the risks involved may be somewhat different. Specific market movements of the futures contracts underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option plus commissions and fees. The seller (grantor) of an option has unlimited risk. The grantor of a call option who does not have a long position in the underlying futures contract is subject to risk of loss should the price of the underlying futures contract be higher than the strike price upon exercise or expiration of the option by an amount greater than the premium received for granting the call option. The grantor of a put option who does not have a short position in the underlying futures contract is subject to risk of loss should the price of the underlying futures contract decrease below the strike price upon exercise or expiration of the option by an amount in excess of the premium received for granting the put option.

STOP LOSSES. In implementing the Program, the Advisor may at times employ a number of risk-management techniques intended to preserve capital or protect profits, such as the use of pre-determined stop-loss points and/or stop orders. However, there is no assurance such techniques will be effective or avoid substantial losses, because, by their nature, they are not guaranteed to limit losses to a predetermined amount. At any time and from time to time, the Advisor may elect not to employ such risk management techniques, which also may increase the possibility of losses.

DISCRETIONARY TRADING RISKS. The Program is implemented by the Advisor on a discretionary basis rather than through rigid adherence to a formalized, systematic trading approach. The use of discretion presents the risk that a wide array of cognitive biases could adversely affect the Program's performance.

DECISIONS BASED ON TECHNICAL ANALYSIS. In making its trading decisions, the Advisor may analyze technical factors relating to past market performance as a means to attempt to predict future price movements. The profitability of any trading strategy based on this type of historical analysis is determined by the relationship of

future price movements to historical prices and indicator values, and the strategy's ability to adapt to future market conditions. If the relationship changes in a manner that the Advisor doesn't foresee or address, clients could suffer substantial losses.

The profitability of technical trading depends upon the ability to predict and interact profitably with price moves. However, in trendless or erratic markets, a technical method may fail to identify a price move on which action should be taken, or may overreact to minor price movements and thus establish a position that may result in losses. In addition, technical trading methods may underperform other trading methods when fundamental factors drive price moves within a given market.

DECISIONS BASED ON FUNDAMENTAL ANALYSIS. In implementing the Program, the Advisor may rely on analysis of fundamental factors that affect supply of, and demand for, a particular commodity, as a means to attempt to predict future price movements in the related Commodity Interest. There is no assurance the Advisor's methods of analysis will correctly identify price movements, or that clients will avoid substantial losses.

EFFECT OF FEES AND EXPENSES/RESPONSIBILITY FOR LOSSES. Clients' accounts are subject to brokerage commissions, give-up fees and other transaction costs. Each client, and not the Advisor, is directly responsible to pay all such brokerage commissions, fees and other transaction costs and expenses incurred in connection with transactions generated for the client's account. Client accounts also are subject to Management and Incentive Fees. Accordingly, a client's account must earn substantial trading profits to avoid depletion of the client's funds due to such commissions, costs, and fees.

In consideration for its advisory services, the Advisor generally receives an asset-based Management Fee, and an Incentive Fee that is based on the client's New Net Profits, which includes unrealized trading gains. There is no assurance that unrealized profits that give rise to an Incentive Fee will eventually be realized. Furthermore, because the Incentive Fee is non-refundable, the Advisor could receive an Incentive Fee for certain months even though its trading on a quarterly, annual or overall basis proves unprofitable. See the section captioned "Compensation to the Advisor."

A client is responsible to bear any and all expenses, losses, commissions and fees incurred as a result of maintaining and having the Advisor trade the client's account. The Advisor's form of advisory agreement provides that the client will indemnify, defend, and hold harmless the Advisor and its principals, employees, and agents (each, an "Indemnified Person") from and against all losses, damages, expenses, or claims of any kind (including, without limitation, all reasonable attorneys' fees and expenses, expert witnesses' fees and expenses, and costs of investigation) suffered or incurred by an Indemnified Person: a) by virtue of any Indemnified Person acting on behalf of such client in connection with the activities contemplated by the advisory agreement; b) in connection with any loss in the client's account resulting from whatever source, including, without limitation, those caused by, or resulting from, human or machine errors in order placement or execution; or c) by reason of, or in connection with, any misrepresentation made by client, any breach of any representation or warranty made by client, or client's failure to fulfill any covenants or agreements under the advisory agreement; provided that, in all cases, if such claim, liability, loss, damage, or expense arises out of any action or inaction of any such Indemnified Person, such course of conduct must not have constituted fraud, deceit, or willful misconduct.

INCREASE IN ASSETS UNDER MANAGEMENT MAY MAKE PROFITABLE TRADING MORE DIFFICULT. The Advisor has not agreed to limit the amount of assets it may manage, and is actively engaged in raising additional client accounts. At a certain threshold, additional assets under management will necessarily decrease the Advisor's ability to trade profitably, because of the difficulty of trading larger positions without adversely affecting prices and performance. Accordingly, such increases in assets under management may require the Advisor to modify its trading decisions, which could have a detrimental effect on the Program's overall performance. Such considerations also may prohibit the Advisor from trading in smaller markets, thereby reducing the range of markets in which the Advisor may pursue trading opportunities.

LIMITED OPERATING HISTORY. The Advisor has limited performance history for clients to evaluate. Although the Advisor's principals have traded Commodity Interests for many years, their proprietary trading experience occurred on the floor of the exchange, and there is no assurance that this trading experience will translate to successful off-the-floor trading for client accounts.

#### **PAST PERFORMANCE OF THE ADVISOR**

Capsule 1 below reflects the composite performance of all client accounts participating in the Program.

The performance through September 2014 has been adjusted to reflect the effect of the Advisor's 2% Management Fee and 20% Incentive Fee on a pro-forma basis across all accounts. The performance beginning in October 2014 are composite results that reflect actual management fee and incentive fee terms as they are applied to each individual account. The Advisor trades certain accounts of qualified eligible persons in its capacity as a sub-advisor to a third-party CTA. The performance of those accounts is not disclosed by the Advisor in this Document or elsewhere.

## CAPSULE 1: AGRICULTURAL FUTURES PROGRAM PERFORMANCE

**The notes preceding this table at page 13 form an integral part of this presentation.**

Name of CTA: Wharton Capital Management, LLC

Program: Agricultural Futures Program

Inception Date of Trading by the CTA: September 27, 2011

Inception Date of Trading in this Program: September 27, 2011

Total Client Assets under Management:	This Program:	All Programs:
	\$17,792,916	\$17,792,916

Number of Client Accounts Currently Open: 76

Drawdown<sup>2</sup> Statistics: Largest Monthly Drawdown<sup>3</sup>: -8.76% (Jan-13)

Largest Peak-to-Valley Drawdown<sup>4</sup>: -11.90% (Nov-12 through Jun-13)

Accounts Closed During the Past Five Years: Accounts Closed at a Profit: 9 (1.39% to 10.40%)

Accounts Closed at a Loss: 12 (-3.79% to -0.13%)

	2011	2012	2013	2014	2015	2016
January		-1.45%	-8.76%	3.81%	1.06%	0.56%
February		1.00%	1.99%	-0.47%	0.04%	2.08%
March		1.69%	-0.54%	0.94%	0.96%	-1.99%
April		2.42%	-1.51%	-0.03%	0.16%	-2.06%
May		4.27%	2.08%	12.50%	3.89%	0.50%
June		3.90%	-5.02%	10.76%	1.92%	-1.33%
July		5.51%	3.40%	15.12%	1.78%	0.97%
August		-1.20%	-2.42%	7.58%	-1.99%	0.34%
September	-1.12%	1.13%	0.98%	-3.74%	0.84%	0.34%
October	0.78%	0.82%	-0.91%	-6.66%	0.29%	-2.40%
November	-0.33%	0.51%	5.03%	2.52%	-0.21%	-0.08%
December	1.36%	-0.43%	5.00%	-0.40%	1.13%	
<b>Year to Date</b>	<b>0.66%</b>	<b>19.42%</b>	<b>-1.58%</b>	<b>47.63%</b>	<b>10.21%</b>	<b>-3.11%</b>

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

<sup>2</sup> The term “Drawdown” means the Net Loss experienced by the Program over a specified period. Net Loss is calculated in accordance with generally accepted accounting principles and equals the negative number that results from subtracting Management and Incentive Fees from that period’s New Net Profits.

<sup>3</sup> Largest Monthly Drawdown represents the largest Drawdown experienced by the Program in any calendar month expressed as a percentage of the account’s beginning value.

<sup>4</sup> Largest Peak-to-Valley Drawdown represents the largest Drawdown experienced by the Program during any period expressed as a percentage of the account’s beginning value.

## **PRIVACY POLICY**

The Advisor considers the protection of sensitive information to be a sound business practice and a foundation of customer trust. Accordingly, the Advisor protects its clients' personal information by maintaining physical, electronic and procedural safeguards that meet or exceed applicable legal requirements. The Advisor restricts inter-company access to its clients' and former clients' nonpublic personal information to those employees who need to know that information to provide products or services to clients.

The Advisor collects non-public information about clients from the following sources: (i) information on account documents and other forms, which may include a client's name, address, tax identification number, age, marital status, number of dependents, assets, debts, income, employment history, beneficiary information and personal bank account information; (ii) information from a client's transactions with the Advisor, such as account history or balance; and (iii) correspondence, whether written, telephonic or electronic, between a client, the Advisor and/or any service providers for a client's account.

The Advisor does not disclose any non-public personal information that it collects to unaffiliated third parties except to the extent necessary for a financial service provider, such as an accountant, to process the client's accounting information and as expressly permitted or required by a client or by applicable law or regulation. The Advisor treats non-public personal information concerning former clients in the same way it treats such information about current clients.

The Advisor treats non-public personal information in a confidential manner and limits access to non-public personal information it has about clients to its employees, affiliates and financial services providers who have an appropriate reason to access it, and to third parties to which a client has requested such disclosure. In addition, the Advisor endeavors to maintain appropriate safeguards such as physical, electronic and procedural safeguards to protect such information.

## **TERMINATION OF SERVICES**

The Advisor suggests that clients view participation in the Program as a long-term endeavor. However, clients may terminate the Advisor's services at any time. Such termination may be effected only by giving written notice to the Advisor. Notice of termination shall not be effective unless the Advisor actually receives such written notice. If the client's notice of termination does not explicitly state that the client wishes to assume the management of existing positions, the Advisor will liquidate positions as soon as is practicable in the Advisor's sole and absolute discretion following receipt of the termination notice, and the termination shall be effective when all positions in the account have been liquidated. If the notice of termination specifies that the client wishes to assume the management of existing positions, the notice of termination shall be effective upon the Advisor's actual receipt of the termination notice, at which point the management of the Account shall become the client's sole responsibility, and the Advisor will cease to initiate positions and shall cease to liquidate existing positions.

The Advisor may terminate advisory services to any client by liquidating all positions in a client's account and giving written notice. Such notice is effective upon the occurrence of both a) the Advisor's remittance of the notice (without regard to the client's actual or constructive receipt) and b) the Advisor's liquidation of all positions in the account. Upon termination, the subsequent management of the account shall be the client's sole responsibility.