Understanding Professionally Managed Futures

One of Today's Fastest Growing Investment Alternatives

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 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 MAY ALSO REQUEST DELIVERY OF A HARD COPY OF THE DISCLOSURE DOCUMENT, 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.

OTHER DISCLOSURE STATEMENTS ARE REQUIRED TO BE PROVIDED TO YOU BEFORE A COMMODITY ACCOUNT MAY BE OPENED FOR YOU.

ADDITIONAL DISCLOSURE REQUIRED FOR ADMINISTRATIVE FEES:

A COMPLETE DISCUSSION OF FEES AND CHARGES ARE REPORTED IN THE CTA's DISCLOSURE DOCUMENT. SPECIFICALLY, ONE SHOULD RECOGNIZE THAT AN INTRODUCING BROKER MAY CHARGE A FRONT-END START UP FEE OF UP TO 6% OF THE INITIAL TRADING CONTRIBUTION. BE ADVISED THAT IBS CLEARING ADMIS MAY CHARGE A MAXIMUM OF 3% FRONT-END FEE. PLEASE NOTE THAT THIS CHARGE IS NOT REFLECTED IN THE PERFORMANCE OF THE COMMODITY TRADING ADVISOR AND COULD HAVE A SIGNIFICANT IMPACT ON THE CUSTOMERS ABILITY TO ACHIEVE SIMILAR RETURNS.

Thought Provoking Questions

Concerning managed futures over the past 30 – 40 years:

- **What if over the past 30 years, during 12 quarters when the S&P lost more than 10%, managed futures were positive in nine and in the three instances where managed futures were negative, losses were 7 to 10 times less than the S&P? (See slide #5)**
- **What if over the past 30 years, when the S&P lost more than 10% in a quarter, reallocating 30% to managed futures could have increased performance and reduced losses in every instance? (See slide #6)**
- **What if during the most critical events over the past 36 years, managed futures substantially outperformed stocks? (See slide #7)**
- **What if over the past 30 years, reallocating 20% of a traditional stock/bond portfolio to managed futures could have increased performance 28%? (See slide #8)**
- **What if over the past 40 years, managed futures outperformed stocks by 30% and international stocks by 818%? (See slide #9)**

Assuming each and every one of these statements could be confirmed through independent studies based on the actual performance of stocks, bonds and managed futures how would you feel about the need for managed futures in your portfolio?

Every question posed above is backed by empirical research using major industry indices in stocks, bonds and managed futures and illustrated in this PowerPoint!

One of the Fastest Growing Alternative Investment Strategies

Over the past 20 years, total assets invested in managed futures have grown by 740% to $318.4 billion, ending the fourth quarter of 2019. According to Barclay Hedge, one of the oldest and most respected providers of alternative investment data, managed futures is one of the fastest growing alternative investment strategies today.

What are Managed Futures?

A managed futures account is one where a registered Commodity Trading Advisor (CTA) is given responsibility to make *all* trading decisions. This authority is delegated by the account holder to the CTA through a limited power of attorney which may be withdrawn at *any* time.

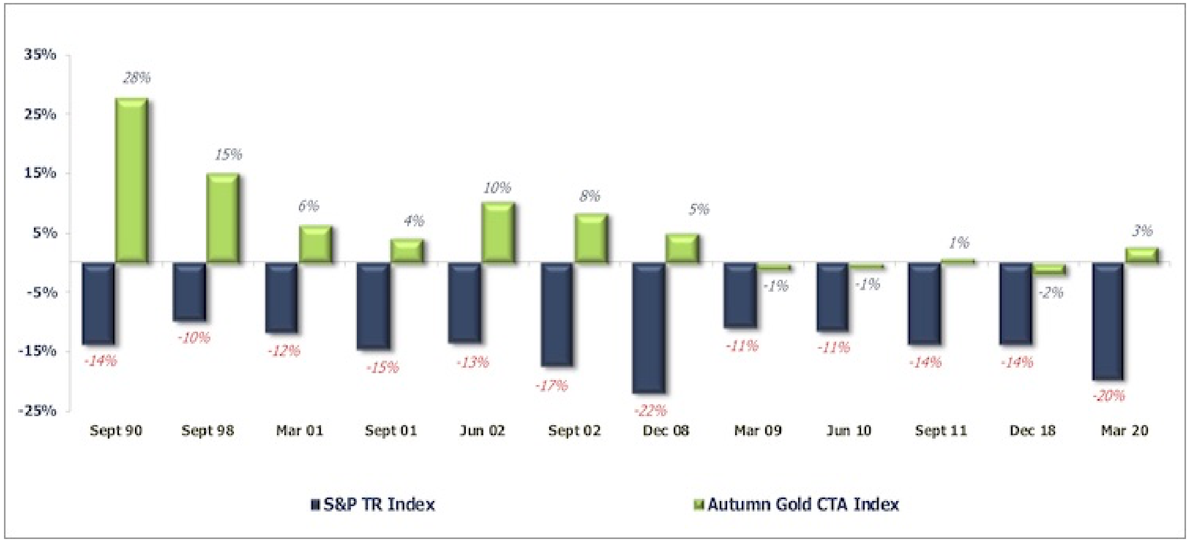
CTAs are registered with the Commodity Futures Trading Commission (CFTC), an agency of the federal government, and are members of the National Futures Association (NFA) a self-regulatory organization authorized by Congress in 1982. CTAs are professional money managers who manage an investor's assets using investments in the commodities markets similar to the way a stock mutual fund manager would invest his client's assets in a variety of different stocks.

You can use managed futures in a variety of qualified retirement plans including IRAs, trusts, and pensions.

> **"A CTA managed futures account is one where a registered Commodity Trading Advisor (CTA) is given responsibility to make *all* trading decisions. This authority is delegated by the account holder to the CTA through a limited power of attorney which may be withdrawn at *any* time."**

Trading futures and options involves substantial risk of loss no matter who is managing your money and is not suitable for all investors. Past performance is not necessarily indicative of future results. This matter is intended as a solicitation.

CTA Return During Periods When the S&P 500 Lost More Than 10% in a Quarter (from Jan. 1990 - Mar. 2020)



The chart above demonstrates how the Autumn Gold CTA Index performed during periods when the S&P 500 TR Index experienced quarterly losses greater than 10%. The period covered is from January 1990 to March 2020. **Note how in the twelve periods shown, Managed Futures was positive nine times while the S&P 500 was negative. In the three periods that Managed Futures was negative along with the S&P 500, losses were seven to ten times less.** The Autumn Gold CTA Index reflects the average performance of Commodity Trading Advisors (CTAs) reporting to the Autumn Gold Database. The chart demonstrates that the Autumn Gold CTA index produced above average quarterly returns during periods when the S&P 500 TR Index incurred quarterly losses in excess of 10%. In every instance from 1990-March 2020, when the S&P 500 Price Index incurred these losses, the Autumn Gold CTA index produced positive return or minimal losses.

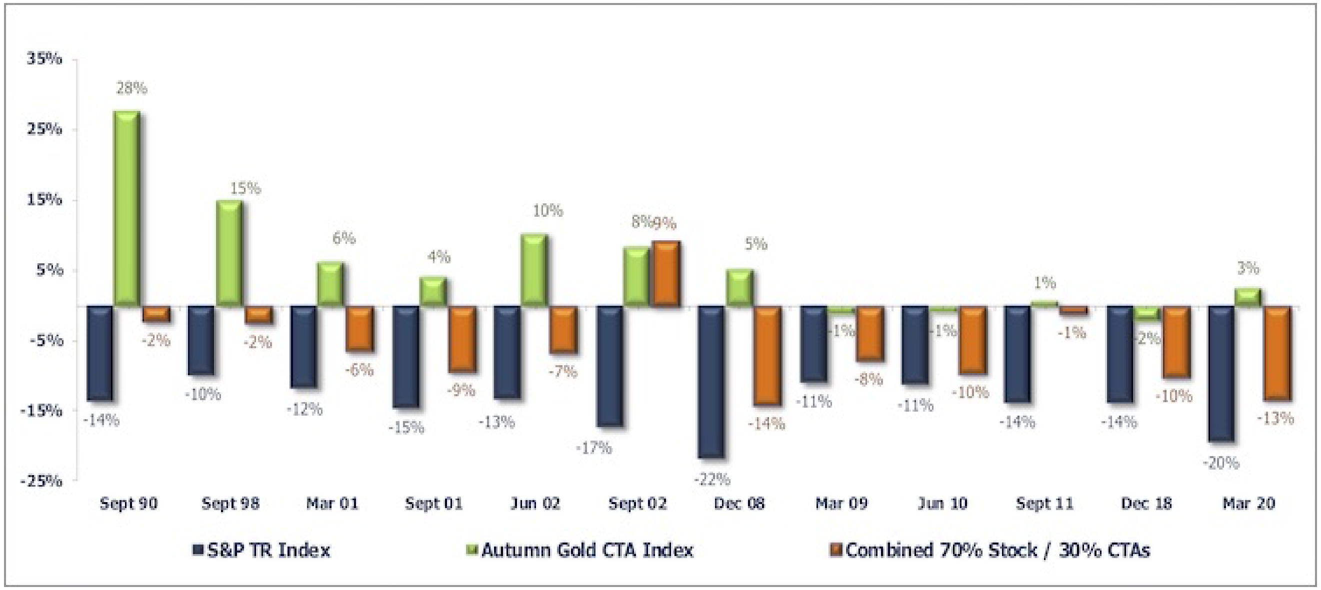
Managed Futures are represented by the Autumn Gold CTA Index. The Autumn Gold CTA Index is comprised of the client performance of all CTA programs included in the AG database and does not represent the complete universe of CTAs. CTA programs with proprietary performance are not included. Monthly numbers are updated until 45 days after the end of the month.

S&P 500 TR Index - The S&P 500 indices are designed to reflect all sectors of the U.S. equity markets. The S&P 500 includes 500 blue chip, large cap stocks, which together represent about 75% of the total U.S. equities market. Companies eligible for addition to the S&P 500 have market capitalization of at least US$3.5 billion. The TR Index accounts for the reinvestment of dividends.

Trading futures and options involves substantial risk of loss and is not suitable for all investors. An individual must read and understand the Commodity Trading Advisors current disclosure document before investing. Past performance is not necessarily indicative of future results.The addition of managed futures to a client's portfolio does not mean that a portfolio will be profitable or that it will not experience substantial losses and that the studies conducted in the past may not be indicative of current time periods or of the performance of any individual CTA.

Source: Autumn Gold

Combined Returns During Periods When the S&P 500 Lost More Than 10% in a Quarter (from Jan. 1990 - Mar. 2020)



In all periods shown, the inclusion of allocating 30% of the portfolio to Managed Futures could have reduced losses and increased performance in the combined portfolio of 70% stocks and 30% Managed Futures.

Managed Futures are represented by the Autumn Gold CTA Index. The Autumn Gold CTA Index is comprised of the client performance of all CTA programs included in the AG database and does not represent the complete universe of CTAs. CTA programs with proprietary performance are not included. Monthly numbers are updated until 45 days after the end of the month.

S&P 500 TR Index - The S&P 500 indices are designed to reflect all sectors of the U.S. equity markets. The S&P 500 includes 500 blue chip, large cap stocks, which together represent about 75% of the total U.S. equities market. Companies eligible for addition to the S&P 500 have market capitalization of at least US$3.5 billion. The TR Index accounts for the reinvestment of dividends.

Trading futures and options involves substantial risk of loss and is not suitable for all investors. An individual must read and understand the Commodity Trading Advisors current disclosure document before investing. Past performance is not necessarily indicative of future results. The addition of managed futures to a client's portfolio does not mean that a portfolio will be profitable or that it will not experience substantial losses and that the studies conducted in the past may not be indicative of current time periods or of the performance of any individual CTA.

Source: Autumn Gold