DISCLOSURE DOCUMENT OF



A MANAGED TRADING PROGRAM PROVIDED BY MANAGED FOREX HUB.

MANAGED FOREX HUB

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NOTICE

The ***ArcFX*** Program is a Managed Forex Trading Account (hereinafter "MFTA") represented by the International Financial Service Provider, Atlantic Pearl Ltd., (hereinafter "APL"), doing business as (dba) the Managed Forex Hub (hereinafter "MFH" or the "Advisor"). MFH is not a Commodity Trading Advisor ("CTA") under USA law, they are a licensed Financial Services Provider under New Zealand Law. This document has been prepared in relation to the private offer to a potentially limited number of investors. The MFTA by MFH shall only be disseminated to select limited private persons or entities and is not offered to the general broad-spectrum public investor profile, nor is the MFTA suitable for every type of investor.

The participation in the MFTA in certain jurisdictions may be restricted by MFH or by any of their FCMs (and their respective jurisdictions) in which MFH trades through. Potential investors are required to inform themselves about and to observe any such restrictions. As such, this document does not constitute, and may not be used for the purpose of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Prospective investors should not construe the contents of this document as legal, tax or financial advice. Each prospective investor should consult his own professional advisers on (a) the legal requirements within the country of their residence for making an investment in the MFTA, (b) any foreign exchange restrictions that may be relevant to him and (c) the income and other tax consequences that may be relevant to participation in the MFTA. The MFTA is intended for, and but not limited to, the professional or sophisticated investor, an experienced investor, or an ECP (eligible contract participant), who can afford the risks inherent in this type of investment. An investment in the MFTA should be considered by an investor as speculative and high risk, and an investment made in the MFTA should not constitute the sole or principal holding of any investor.

NO GLOBALLY RECOGNIZED REGULATORY BODY OR COMMISSION HAS PASSED UPON THE MERITS OF PARTICIPATING IN THIS TRADING PROGRAM NOR HAS ANY SUCH GLOBALLY RECOGNIZED REGULATORY BODY OR COMMISSION PASSED ON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT. THE INFORMATION AND OPINION CONTAINED HEREIN AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE SHOWN BELOW IN THE FOOTER. THIS DISCLOSURE IS NOT TO BE DISTRIBUTED UNDER ANY CIRCUMSTANCES OTHER THAN BY THOSE AUTHORISED TO DO SO BY MFH.

RISK DISCLOSURE STATEMENT

THE RISK OF LOSS IN TRADING COMMODITY, FOREX AND FUTURES 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 A 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 OR FUTURES 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, A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY MFH.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY AND FUTURS 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 CONTAINED HEREIN.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY TRADING ADVISOR MAY ENGAGE IN TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE YOUR TRANSACTIONS MAY BE EFFECTED OR PARTIES DOMICILED. BEFORE YOU TRADE YOU SHOULD INQUIRE ABOUT ANY RULES RELEVANT TO YOUR PARTICULAR CONTEMPLATED TRANSACTIONS AND ASK THE FIRM WITH WHICH YOU INTEND TO TRADE FOR DETAILS ABOUT THE TYPES OF REDRESS AVAILABLE IN BOTH YOUR LOCAL AND OTHER RELEVANT JURISDICTIONS.

MFH DOES NOT ACCEPT FUNDS IN THEIR NAME FROM CLIENTS FOR TRADING FOREX OR 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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INTRODUCTION

GENERAL

MFH are currently managing a trading program for qualified investors ("Client(s)") known as the *ArcFX Trading Program*. MFH engages in the trading of futures and/or options and/or commodities and/or foreign exchange contracts for themselves and their Clients on various Exchanges offered by their FCM.

Given that speculative trading in these Alterative Investments presents the risk of substantial losses, only persons knowledgeable enough and with high incomes and the ability to absorb such losses should consider participating in this trading program. This Disclosure Document describes the trading management services offered by MFH, the *ArcFX Trading Program*, and the risks associated therewith.

THE ADVISOR

The Advisor is a registered Financial Service Provider (FSP #: FSP283525) under New Zealand Law. The FSP registration is part of the New Zealand government's financial sector regime that aims to provide greater accountability and transparency in the Financial Markets. Under the new regime, various financial companies need to be registered to legally provide certain types of financial services to clients. The Advisor's licensed activity as an FSP is specific to its services offered as detailed below:



NEW ZEALAND
Financial Service Provider

FSP LICENSE NUMBER: FSP283525
NAME: ATLANTIC PEARL LTD
STATUS: REGISTERED

LICENSED ACTIVITY PERMITTED:

Keeping, investing, administering, or managing money, securities, or investment portfolios on behalf of other persons

Entering into or trading on an exchange, in an over-the-counter market or otherwise, the following on behalf of another person

- money market instruments (including cheques, bills, certificates of deposits);
- foreign exchange;
- derivative products including, but not limited to, futures and options;
- interest rate and index instruments;
- transferable securities (including shares);
- futures contracts

DISPUTE RESOLUTION MANAGEMENT

The Advisor belongs to a Financial Complaints and Dispute Resolution Scheme in New Zealand which is available to all Clients globally. This membership provides dispute resolution services to participating financial service providers (FSPs) such as The Advisor in connection with their clients. The dispute management process focuses on resolving complaints through conciliation and assisted negotiation and is also able to make formal determinations which are binding on FSPs. These schemes are free to consumers.

Funding is provided by Financial Service Providers who recognize the importance of offering independent and impartial alternative dispute resolution to their customers. The Advisor belongs to "FDR" (http://www.fdr.org.nz) with the following details:

FINANCIAL DISPUTE RESOLUTION

PART OF THE FINANCIAL DISPUTE RESOLUTION SCHEME

www.fdr.org.nz

MEMBERSHIP NUMBER: FM2022
NAME: ATLANTIC PEARL LTD
STATUS: REGISTERED
MAXIMUM COMPENSATION PER CLAIM: $NZD 200,000

BUSINESS NICHE AND EXPERIENCE

MFH as an FSP specializes in managed trading primarily and originally in the Spot Forex markets, among other markets. MFH includes a broad network of professionals with extensive practical experience and formal education in the financial and trading industry. The company has ample experience as investors and traders, broker/dealers, as well as money managers, investment consultants, designers of trading systems, analysts, and educators. MFH works very closely with multiple stakeholders in the industry.

MFH focuses extensively on research and development and the ongoing study of capital markets and hence the constant improvement of the investment process. Therefore MFH devotes much of their efforts and experience and resources to;

a) Seeking out, developing, and securing access to the highest calibre of investment opportunities in the alternative investments trade; and
b) Bringing these opportunities to their clients.

MFH's role as an FSP is that of a Broker-Dealer, Introducing Broker and primary developer and stakeholder of trading programs and strategies.

MANAGEMENT AND ADMINISTRATION

The MFTA shall be administered by MFH's Board of Directors. The function of the Director(s) of MFH is to conduct the company's business operations and review and be responsible for the activities of the company. The Director(s) will at all times act and rely upon the advice of its stakeholders, investment advisors, traders and financial consultants as appointed. The Director(s) of MFH are elected by the voting shareholders of the company to serve for an indefinite term. The Director(s) will serve until their resignation, death or removal.

THE TRADING PROGRAM – "ARCFX"

INTRODUCTION

The ArcFX trading team consists of a relatively small, but very diverse group of international traders and analysts who manage their own working capital and their own investment funds in different markets as well as having discretion over the management of investor funds. Their entire AUM for all types of trading is approaching the USD $20 million mark, as of the end of 2013.

The trade manager and head trading partner who oversees all FX trades being executed, is a professional money manager in the stock market and futures market on European and American products. He is also dedicated to providing Technical Analysis with renowned Forex Brokers. The trade manager graduated as an advanced Technical Analyst and originally began his career at Swift Trade, who at the time, were one of the largest management companies in the world. Within two years of his hire he became the most successful manager in his office in Europe which traded over 300 million shares on the NYSE and the NASDAQ daily.

Today, the small trading team dedicates all of their efforts almost entirely on the foreign exchange market due to the high levels of liquidity and the constant steady trading prospects. When the Arc FX team traded other asset classes, they would trade approximately 5 trades per month in spot FX. Now that the team has focused solely on the Forex asset class, they quite often place multiple trades daily.

STRATEGY

The underlying trading strategy is based largely around the multi-temporal analysis method. The core strategy is the end result of a combined usage of market research tools, custom indicator, volume, and trend definition tools, combined with special and proprietary fractal-based tools. One of the most important aspects of the strategy is in the money management portion of it, which enables it to achieve good returns with controlled draw downs. The strategy is classified as "intra-day" and this along with a pre-defined money management protocol helps to gives investors peace of mind and a clear understanding on the risks, the growth, the profitability, and the ongoing progress of the trading program. Typically no more than 4 trades are ever open at the same time. Average profit targets range from 10 – 100 pips, with drawdowns being the same on average.

METHODOLOGY

Trades are risk limited from the time a trade series is placed and the target profits and stop levels for the series are usually known in advance, except when trailing-stops are used in many cases to help maximize

profits during strong market trends. The actual target stop losses used are usually variable, not fixed, and depend largely on the market sentiment and key points and other factors in the market at the time the trades are placed.

Every trade placed however utilizes a hard stop-loss and never goes un-managed or unattended. The entry and market hours when trades are placed, typically allow the trades to reach their profit targets relatively quickly. When trades break out of their fractal envelopes, they can remain open for a few days, or even weeks (rare), and dip into drawdown before either closing for a loss at the sign of a larger breakout, or turning back around into profits. The methodology has proven to be very effective over long sample periods and different market conditions.

RISK / MONEY MANAGEMENT

The ArcFX program trades only the most liquid currency pairs for added safety, primarily EURUSD, but occasionally other pairs when lucrative opportunities may present themselves. This helps reduce exposure to large whiplash market swings and increased spread widening during volatility.

Trades have a high probability for success as the program aims to identify the most likely movements in a particular pair by analyzing an array of custom technical indicators along with other variables such as the relationship between the current price and the price in the recent past, and the inter-relationship between prices of various currency baskets. This keeps trade accuracy high, and allows a good risk:reward to unfold. Risk management and money management are paramount in this strategy, and it is extremely well calculated and the drawdown is controlled and managed very efficiently.

Losses of course are expected, and are simply part of trading with this strategy (the same as with any other strategy) and cannot be avoided. The ArcFX strategy however, has displayed a great ability to cut losses and recover from periods of draw downs when they do occur. This is however a long-term strategy and the performance of it should be gauged on longer sample periods (i.e., annually or biannually).

KEY PERSONS RISK CONSIDERATIONS

The operating results of this Managed Forex Account will depend largely on the trading and analysis of the ArcFX trade manager. Although there is a trading team, should the trade manager become physically unable to oversee trading within client accounts a temporary interruption of service may occur. The trade manager has taken all the required appropriate steps to notify clients and his trade team of any such occurrence, when/if it may occur.

ELECTRONIC TRADING CONSIDERATIONS

The trade manager will place trades on the electronic trading platform offered by a specified brokerage partner. In the event that there is a failure or disruption of this platform, it is possible that, for a certain time period, the manager may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. In addition, a system failure may also result in loss of orders or order priority. The trading team, in conjunction with the corresponding brokerage firms have put as many safety protocols and check points as possible in place to prevent such occurrences from happening, and to minimize damage when/if such events do occur.

Other product specific risk factors have been identified in the early section of this document, as well as in the risk disclosure section at the end.

THE COMMODITY OR FUTURES OR FOREIGN EXCHANGE MERCHANT (BROKER)

The primary brokerages where the MFTA trades are in highly reputable jurisdictions and in highly regulated environments. Although MFH is not locked in to any one particular entity as its Futures Commission Merchant or Foreign Exchange Broker ("Broker" or "Brokers" or "Brokerage firm"), MFH may recommend certain brokers to their Clients for optimal performance and trade execution.

The Client therefore *may* be free to open an account with another registered Futures Commission Merchant and Foreign Exchange Broker with prior approval from MFH, however, MFH reserves the right to reject any FCM or IB requested by a Client for any reason, including the belief that its execution and/or its back office service is not satisfactory or the commission or fees charged to a client are not satisfactory or in general if the management places constraints on the MFH team.

Despite the client's potential choice of an FCM, MFH will typically execute all trades through the FCM of its choosing and then "give-up" those trades to the client's chosen FCM, if different. In other words, if the client's chosen FCM is different than that of MFH's, it will probably result in an additional "give-up" fee being charged to the client's account. This fee is in addition to any other brokerage, exchange or clearing fees charged and/or negotiated by the client and their chosen FCM.

LITIGATION

There have never been any administrative, civil or criminal proceedings against MFH, or any of its principals.

CONFLICTS OF INTEREST

Prospective Clients should be aware that these, and other, potential conflicts of interests are frequently inherent in the position occupied by MFH. MFH, however, is obligated to treat each Client with fairness, considering the Client's best interests. All efforts will be made to assure fair and equitable treatment of all accounts. Clients should be aware that normal marketplace factors may cause the results of various accounts to differ.

MFH may trade for its own account. Additionally, some of the MFH's principals may trade commodities, futures, forex, and commodity interests for their own accounts. The trades in these accounts may compete with a Client's account for the same or similar positions in the same markets. MFH expects to

manage the commodity, forex, and futures accounts of various Clients. As such the trading records of MFH or any of the principals' proprietary accounts may not be available for review or inspection.

All of these accounts plus the accounts owned or controlled by any affiliates or associates of MFH may be combined for purposes of speculative position limits (restrictions which can be imposed by U.S. commodity exchanges and the CFTC or other Foreign Exchanges or regulatory bodies on the size of the commodity positions or forex trades that a person may hold or control), so that the number of positions that MFH establishes for any one Client may be restricted by the number of positions held for these other accounts.

Also, these other accounts might compete with a Client's account for the same or similar positions in the markets. To the extent that position limits restrict the total number of positions that MFH may establish for any one Client and those of other accounts, MFH may allocate transaction orders equitably between the Client's account and such other accounts on a pro-rata basis, if possible. If pro rata allocation is not possible, then MFH may rotate the accounts that receive fills. MFH and/or principals of MFH may receive a fill price and the Client may not.

MFH may have investments in other accounts, which could create an incentive to favour those accounts over any one Client's account. Although no such favouritism is intended or expected to occur, there can be no assurance that the performance of the proprietary accounts will be similar to those of a Client's account.

RESEARCH AND DEVELOPMENT

MFH and/or its principals are constantly researching and testing new trading concepts and techniques in their own accounts. As such, trading in these accounts may be more aggressive than Client accounts, and trading in these accounts may involve trade's which are opposite to Clients' trades.

ATTENTION

MFH intends to continue to actively engage with, and manage other Client accounts. In conducting such activities, MFH may have conflicts of interest in allocating management and advisory time, services, and other functions.

INCENTIVE FEE

The incentive fee arrangement entered into between MFH and its Clients might create an incentive for MFH to make investments that are risky or speculative as MFH would be partaking in the net performance of the Clients' account.

INTRODUCING BROKERS

The Client, in some situations, may be able to select any IB of their choice and MFH intends for the time being to pay any such IB a percentage of the fees collected. In such a case, the IB might have incentive to encourage MFH to trade more actively with the hopes of generating additional profits.

TRANSACTIONAL FEES

Transactional fees may be charged by MFH to their Clients on the round-turn activity of trades. This might create an incentive for MFH to over-trade or trade more aggressively as MFH would be partaking in the direct volume of trades placed.

RESOLVING CONFLICTS

While these conflicts do exist, MFH and its managing partners do not intend to trade Client accounts in any manner inconsistent with the trading program set forth in this Disclosure Document.

PRINCIPAL RISK FACTORS

Prospective Clients should consider the following risks, in additional to the general risks, before utilizing the services of MFH in the MFTA program. The risk factors below are not intended to include all possible risks of trading pursuant to the methodologies employed by MFH in the MFTA, nor are the summaries intended to provide complete descriptions of the risks that are included. There is a degree of risk associated with the utilization of MFH's MFTA, and any such utilization should be made only after consultation with independent qualified sources of investment, legal and tax advice. No person should consider investing with MFH more than they can comfortably afford to lose. Clients participating in MFH's MFTA will be subjected to a number of risks, including, but not limited to the following:

INVESTMENT RISKS

The alternative investment markets are speculative, prices are volatile and market movements are difficult to predict. Supply and demand for various types of contracts change rapidly and are affected by a variety of factors, including interest rates, merger activities and general trends in the overall economy or particular industrial or other economic sectors. Government actions, especially those of the U.S. Federal Reserve Board, have a profound effect on interest rates, which affect the price of various contracts. In addition, a variety of other factors that are inherently difficult to predict such as domestic and international political developments, governmental trade and fiscal policies, patterns of trade and war or other military conflict can also have significant effects on the markets. The Advisor may have only limited ability to vary its investment portfolio in response to changing economic, financial and investment conditions. Those risks may be enhanced significantly by the concentration of the Advisor's investments, its consequent lack of diversification and the potential that creates for volatility. No assurance can be given as to when or whether adverse events might occur that could cause significant and immediate loss in value of the Advisor's portfolio. Even in the absence of such events, trading futures and options and currency and commodity contracts can quickly lead to large losses.

TRADING IS SPECULATIVE AND VOLATILE

Prices of alternative investment contracts can be highly volatile. The Advisor trades in these markets on a purely speculative basis. No assurance can be given that the Advisor's speculative trading will result in profitable trades or that Clients will not incur substantial losses.

LACK OF LIQUIDITY

Many alternative investment contracts are subject to daily price limitations, which may mean that the exchanges have prohibited the trading of various contracts if the price fluctuates by a certain amount. If this occurs, it may be impossible to liquidate a position. Alternative investment prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences in markets in which the Advisor may hold positions at that time could prevent the Advisor from promptly liquidating unfavourable positions and subject it to substantial losses. Daily limits may reduce liquidity, but they do not limit ultimate losses, as such limits apply only on a day-to-day basis. In addition, even if contract prices have not moved the daily limit, the Advisor may not be able to execute trades at favourable prices if there is only light trading in the contracts involved.

LEVERAGE

An alternative investment position can be established with margin which can be very high vs. of the total value of a contract. Thus, a small movement in the price of the underlying interest can result in a substantial price movement relative to the margin deposit and may result in immediate and substantial losses. Accordingly, a relatively small price movement may result in immediate and substantial losses. Although the use of leverage can substantially improve the return on invested capital, it may also increase any losses, and it is possible that a Client could lose most or all of its capital due to the effects of leverage combined with price volatility. Additionally, trading on margin may result in losses in excess of the amount deposited by the Client. If managed account(s) suffers losses, the Advisor may de-leverage its account(s), which would materially impair its ability to recover its initial losses.

SPECULATIVE POSITION LIMITS

Many globally recognised bodies such as the CFTC and various commodity, futures, and forex exchanges have established limits on the maximum net long or net short futures positions which any person or group of persons acting together may hold or control. Any commodity accounts owned or managed by the Advisor, or its principal, may be combined for position limit purposes. Due to the Advisor's concentration on various contracts, there may be times, particularly in spot months, when current limits could adversely affect the Advisor's ability to place trades on behalf of clients or to implement its trading strategy. From time to time, Advisor's trading decisions may have to be modified and positions may have to be liquidated in order to avoid exceeding such limits.

TRADING OF OPTIONS

Typically the Advisor does not engage in the trading of options on futures contracts. However, if so, each option on a commodity futures contract or physical commodity is a right, purchased for a certain price, to either buy or sell a commodity futures contract or physical commodity during a certain period of time for a fixed price. Although successful commodity options trading requires many of the same skills as does successful commodity futures trading, the risks involved are somewhat different. For example, if the Advisor buys an option (either to sell or purchase a futures contract or commodity), it will pay a "premium" representing the market value of the option. Unless the price of the futures contract or commodity underlying the options changes and it becomes profitable to exercise or offset the option before it expires, the Client's account may lose the entire amount of such premium (together with the costs of commissions and fees incurred to purchase such options). Conversely, if a Client sells an option (either to sell or purchase a futures contract or commodity) it will be credited with the premium but will have to deposit margin due to its contingent liability to take or deliver the futures contract or commodity underlying the option in the event the option is exercised. Sellers of options are subject to

the entire loss which occurs in the underlying futures position or underlying commodity (less any premium received), which could be an unlimited risk of loss. Moreover, selling options can result in unlimited loss. The ability to trade in or exercise options may be restricted in the event that such trading on U.S. commodity exchanges is restricted by both the CFTC and such exchanges, and it has been at certain times in the past.

TRANSACTIONS ON FOREIGN EXCHANGES

The Advisor may trade contracts on foreign exchanges. Investors should be aware that foreign exchanges may not be regulated by their home exchanges. In addition, contracts traded on foreign exchanges are often denominated in the local currency. Consequently, any such trades may be subject to the risk of fluctuations in the exchange rate between the relevant currency and the U.S. dollar as an example. Furthermore, some foreign exchanges, in contrast to exchanges in the United States for example, are "principals' markets" similar to the forward markets, in which responsibility for performance is only that of the individual member with whom a trader has entered into a transaction, and not of an exchange or exchange clearing house.

CURRENCY AND EXCHANGE RATE RISKS

The Advisor may invest in various contracts denominated or quoted in currencies other than the U.S. Dollar. Changes in currency exchange rates therefore may affect the value of a Client's account and the unrealized appreciation or depreciation of investments. Further, the Advisor may incur higher brokerage commissions in connection with conversions between currencies as brokers are subject to risks during the conversion process. The Advisor may seek to protect the value of some portion or all of a Client's account against currency risks by engaging in hedging transactions, if available, to the extent that such hedging transactions are cost-effective and practicable. The Advisor may enter into forward contracts on currencies as well as purchase put and call options on currencies. There is no certainty that instruments suitable for hedging currency shifts will be available at the time when the Advisor wishes to use them or that, even if available, the Advisor will elect to utilize a hedging strategy.

CERTAIN RISKS PECULIAR TO FORWARD TRADING

The Advisor may enter directly or indirectly into forward contracts for the trading of certain commodities, such as currencies, with banks and currency dealers and counter parties. A forward contract is similar to a futures contract in that they both are contractual obligations to buy or sell a specified quantity of a commodity at or before a specified date in the future at a specified price. However, forward contracts generally are unregulated and banks and dealers act as principals in such markets. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they are prepared to buy and that at which they are prepared to sell. Clients will absorb the "bid-ask" spread incorporated into the price of forward contracts.

COUNTERPARTY CREDIT WORTHINESS

A Client could be unable to recover assets held at his or her FCM, even assets directly traceable to the Client from the FCM in the event of a bankruptcy of the FCM. Although most FCMs are required to segregate customer funds pursuant to such acts as the U.S. Commodity Exchange Act (the "CEA"), for

example, in the event of the FCM's bankruptcy, there may be no equivalent of the Securities Investors Protection Corporation insurance as is applicable in the case of securities broker dealers' bankruptcies in the USA. Under CFTC regulations for example, FCMs are required to maintain customer assets in a segregated account. If a Client's FCM fails to do so, the Client may be subject to risk of loss of funds in the event of the FCM's bankruptcy. Even if such funds are properly segregated, the Client may still be subject to a risk of 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 account. Bankruptcy law applicable to all FCMs requires that, in the event of the bankruptcy of such an FCM, all property held by the FCM, including certain property specifically traceable to the customer, will be returned, transferred or distributed to the broker's customers, but only to the extent of each customer's pro rata share.

ACTIVE TRADING

The Advisor's trading activities could involve substantial portfolio turnover and correspondingly high transactional costs.

COMPETITION

The Advisor engages in investment and trading activities that are highly competitive with other investment and trading programs. Clients will compete for trades with mutual funds, investment banks, broker/dealers, commercial banks, insurance companies, pension funds and other financial institutions, all of which may have investment objectives similar to the Client's and substantially greater resources or experience than the Client or the Advisor.

THERE MAY BE ADDITIONAL RISKS IN THE TRADING OF DERIVATIVE INSTRUMENTS

Although not common, the Advisor may trade in complex derivative instruments that seek to modify or replace the investment performance of particular securities, futures contracts, forex transactions, interest rates, indices or markets on a leveraged or unleveraged basis. Derivative instruments are subject to additional risks that include interest rate and credit risk volatility; world and local market price and demand; and general economic factors and activity. Derivative instruments also have counter-party risk and may not perform in the manner expected by the Advisor or the counter-parties, thereby resulting in greater loss or gain.

LIMITATIONS OF RISK-DEFINED STRATEGIES

The risk of leveraged trading and the requirement to make additional margin deposits are generally within defined limits. However, these risks can never be eliminated entirely. Moreover, one side of a "balanced" position may decline in value, requiring additional margin deposits in connection with the financing of a position prior to a market move in the offsetting position. Although the Advisor believes that it would be unusual for a situation of this type to persist for any prolonged length of time, the markets in which the Advisor acquires (or disposes of) positions could move in such fashion for extended periods of time or to a significant degree. Should this occur, clients could incur substantial losses.

FEES AND EXPENSES

INCENTIVE AND TRANSACTIONAL FEES

There are typically two different scales of compensation charged by, (or shared with) MFH to the Client. One based on the High Water Mark performance of an account (performance fee or incentive fee), and one based on the round turn transactional fees from trading on an account rebated by the FCM. Performance fees range between 30-35% of monthly high water mark profits, and transactions fees range between 0-2 pips (or the equivalent in a $ per round turn charge). These may be rebated by their FCM or added on top of the broker's net cost.

MANAGEMENT FEES

MFH does not charge any front-load or Management Fees.

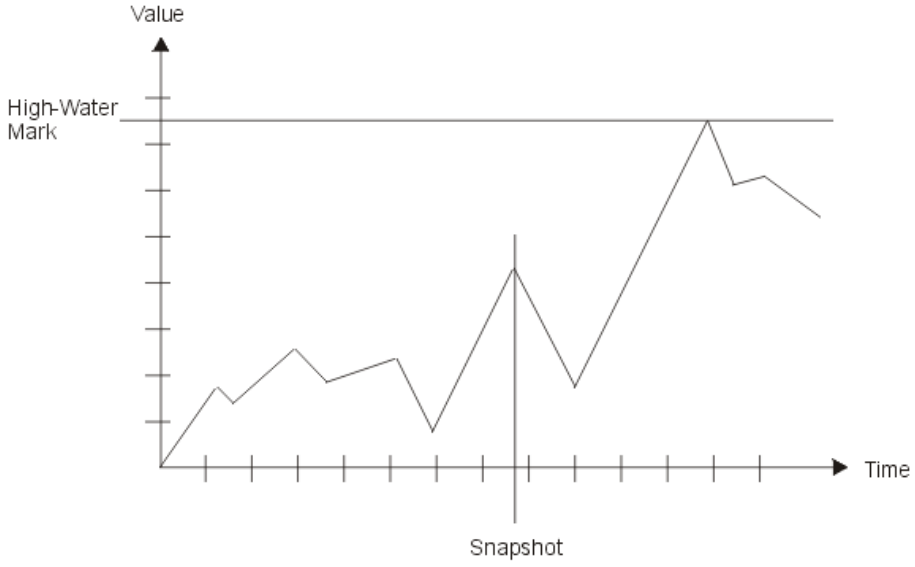
ADMINISTRATIVE FEES

MFH will, unless otherwise specified, bear its own administrative, legal, audit and any other administrative fees or other expenses. These fees are not passed on to the Client.

NET PROFIT PERFORMANCE FEES

Net Profits shall mean the aggregate net trading profit, both realized and unrealized in a managed account during such calendar month, minus brokerage fees and other managed account transaction costs and expenses, and plus or minus the change from the previous month-end in the balance of brokerage commissions necessary to liquidate positions. The existence of a Carry Forward Loss is determined by adding all the Net Losses that have been sustained since the last month-end at which a Monthly Performance Fee was paid and subtracting those from Net Profits for the same time period. High Water Marks are re-set to the high after the deduction of Incentive Fees.

High Water Mark Illustration



The use of a Carry Forward Loss insures that Monthly Performance Fees are paid only on the cumulative increases in the Net Profit of a managed account. The Monthly Performance Fee will not be charged until there are Net Profits after incentive fee deductions. However, Monthly Performance Fees shall not be rebated by virtue of subsequent losses. If a participating client withdraws from the MFTA, the client shall be billed for the Monthly Performance Fee if the managed account has earned a Net Profit in the month of such a withdrawal. If the MFTA has incurred a loss in the month of withdrawal the client will not be charged a Monthly Performance Fee.

HIGH WATER MARK EXAMPLE

The formula used for calculation of the High Water Mark, is the actual High Water Mark formula, not the claw back protocol. The formula for this is New HWM = Month End balance (or equity, varies per brokerage) - Incentive Fee.

An example of this calculation is as follows:

1.) When a Client deposits their initial funds, that becomes the first High Water Mark (HWM). In this example the Client deposits $100,000 USD.

2.) After 1 month there is 10% profit which brings the Client account up to a gross value of $110,000 USD.

3.) $110,000 USD (balance or equity) minus the last HWM ($100,000 USD) = $10,000 USD in new profit.

4.) In this example the Performance Fee is 30%. 30% of $10,000 USD new profit is $3,000 USD Performance Fee (PF) payable to the Trader.

5.) After paying $3,000 USD PF to the Trader, the Client retains $7,000 USD of the profit. His account balance after paying PF is $107,000 USD, which is reset as the new High Water Mark.

PERFORMANCE FEE BILLING

MFH and/or the FCM will either singly or collectively calculate and bill all Performance Fees to each managed account Client. All fees paid will be retained by MFH, even if the managed account subsequently experiences losses. Since the Monthly Performance Fee is payable monthly, substantial Monthly Performance Fees may be paid to the Trade Manager during a fiscal year even though the managed account sustains a net trading loss in the fiscal year.

The Monthly Performance Fee will not be paid until the account is above its original value net of performance fees. The breakeven point which dictates every subsequent “high water mark” level equates to the original amount deposited in the account minus the Monthly Performance Fee being paid. The monthly billing cycle typically is conducted from the first to the last calendar day of each month, at the open and close times as per the FCMs server time used by MFH.

SPECIAL DISCLOSURE FOR NOTIONALLY FUNDED ACCOUNTS

Notional funds in a Client's account are funds not actually held in the account, but which have been committed by a Client to the trading activity of the account. Notional funding allows a Client to trade the account at a higher level than the cash actually held in the account. Incentive fees are calculated on the basis of an account's TOTAL nominal account value, which includes notional funds in ADDITION to actual funds.

CLIENT ACCOUNTS

ACCOUNT SIZE AND FUNDING

The minimum account size for participation in the MFTA is in general set at **$10,000 USD** in actual funds. The minimum investment may be modified or waived by MFH in their sole discretion from time to time.

OPENING AN ACCOUNT

All accounts must be opened directly with MFH's or another of their approved FCMs. MFH will consider an account on "active" status typically within ten business days after receipt of all signed documents and agreements from the Client or the Client's representative and notification from MFH's Futures Commission Merchant ("FCM") that the account is approved and ready to trade. "Active" status means that the account is being monitored by MFH for possible trade executions, based on entry and exit signals from the MFTA's models.

NEW ACCOUNTS

Each new account will encounter a start-up period during which it *may* incur certain risks related to the initial investment of assets. As an example, during an account's start-up period, the level of diversification may be lower than a previously existing account with a fully committed and diversified portfolio.

In an effort to manage such risk, the Advisor may develop procedures governing the appropriate timing for the commencement of trading and the appropriate means of moving toward full portfolio commitment for any new accounts.

The Advisor at its discretion may delay the actual start of trading for an account for an extended period of time or invest a new account more slowly than it would a more mature account. These procedures may be modified from time to time, and no assurance is given that they will be successful in moving an account toward full portfolio commitment without substantial losses which might have been avoided, or foregoing substantial profits which might have been achieved, by other means of initiating investment in the markets.

CLOSING AN ACCOUNT

A Client may close their account at any time by notifying their FCM in writing. However, the Advisor recommends as a courtesy in planning that the Client notify the Advisor at least 5 business days prior to the Client closing his or her account with the FCM.

DEPOSITING AND WITHDRAWING

Funds may be added or withdrawn at any time by depositing or withdrawing money directly with the FCM. The Advisor recommends that the Client notify the Advisor at least 5 business days in advance of any cash funding change.

REVOKING THE ADVISOR'S POWER TO TRADE FOR THE CLIENT

A Client may terminate the Advisor's power to trade over the account or terminate the Advisory Agreement with the Advisor at any time by notifying the Advisor and/or FCM in writing. However, the Advisor recommends that the Client notify the Advisor at least 5 business days prior to the effective date of the termination.

REPORTING

The Advisor and the FCM have continuous monitoring capabilities and may report to each client the Net Asset Value of their account on a daily & monthly basis. On-going statements of performance are also typically available in real-time for export or live viewing via a trade platform login and password directly provided to them by the FCM. In many cases a website back office login, or a daily statement forwarding by email can be setup, where clients receive theses automatically each day.

Example Trade Statement – Exported from an FCM's Trading Platfrom

Order	Time	Type	Size	Symbol	Price	S / L	T / P	Time	Price	Swap	Profit
4184110	2012.09.12 04:59	buy	2.32	eurusd.dma	1.28615	0.00000	0.00000	2012.09.12 05:40	1.28810	0.00	452.40
4184203	2012.09.12 04:59	buy	1.16	gbpusd.dma	1.60753	0.00000	0.00000	2012.09.12 07:48	1.60948	0.00	226.20
4197079	2012.09.13 02:00	buy	2.34	gbpusd.dma	1.61126	0.00000	0.00000	2012.09.13 03:00	1.61225	0.00	231.66
4197164	2012.09.13 02:00	buy	2.33	eurusd.dma	1.29159	0.00000	0.00000	2012.09.13 04:58	1.29222	0.00	146.79
4212104	2012.09.14 02:24	buy	2.34	audusd.dma	1.05592	0.00000	0.00000	2012.09.14 02:42	1.05739	0.00	343.98
4212200	2012.09.14 02:27	buy	2.34	eurusd.dma	1.29980	0.00000	0.00000	2012.09.14 02:43	1.30109	0.00	301.86
4240303	2012.09.18 04:59	sell	2.35	audusd.dma	1.04620	0.00000	0.00000	2012.09.18 08:23	1.04421	0.00	467.65
4240251	2012.09.18 04:59	sell	2.35	eurusd.dma	1.30985	0.00000	0.00000	2012.09.18 08:33	1.30808	0.00	415.95
4253654	2012.09.19 05:58	buy	1.18	gbpusd.dma	1.62551	0.00000	0.00000	2012.09.19 08:06	1.62666	0.00	135.70
4256903	2012.09.19 10:10	sell	2.36	eurusd.dma	1.30304	0.00000	0.00000	2012.09.19 10:56	1.30115	0.00	446.04
4267098	2012.09.20 05:01	sell	2.36	audusd.dma	1.04103	0.00000	0.00000	2012.09.20 06:45	1.03912	0.00	450.76
4266929	2012.09.20 04:59	sell	2.36	eurusd.dma	1.30035	0.00000	0.00000	2012.09.20 06:48	1.29872	0.00	384.68
4267012	2012.09.20 05:00	sell	1.18	gbpusd.dma	1.62041	0.00000	0.00000	2012.09.20 07:05	1.61840	0.00	237.18
4280572	2012.09.21 04:59	buy	1.19	gbpusd.dma	1.62412	0.00000	0.00000	2012.09.21 05:36	1.62584	0.00	204.68
4280500	2012.09.21 04:59	buy	2.36	audusd.dma	1.04651	0.00000	0.00000	2012.09.21 06:34	1.04779	0.00	302.08
4371292	2012.10.02 06:04	buy	1.19	gbpusd.dma	1.61544	0.00000	0.00000	2012.10.02 10:22	1.61665	0.00	143.99
4371159	2012.10.02 06:03	buy	2.34	eurusd.dma	1.29038	0.00000	0.00000	2012.10.02 10:23	1.29143	0.00	245.70

PRIVACY CONSIDERATIONS

PRIVACY DISCLOSURE

The following privacy disclosure describes the standards that MFH as the Advisor follows for the collection, use, and protection of any of its Clients' non-public personal information. The Advisor considers the protection of sensitive information to be a sound business practice and a foundation of

customer trust and protects its Clients' personal information by maintaining physical, electronic and procedural safeguards that meet or exceed applicable legal requirements. The Advisor only discloses non-public personal information about investors or former investors (including information regarding transactions or experience with investors or former investors) to employees, affiliates and non-affiliated third parties who assist the Advisor in providing services to the Advisor (for example, accountants and attorneys), each as permitted by law or as otherwise required by law.

INFORMATION THE ADVISOR MAY COLLECT

The Advisor may collect 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 state, 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.

INFORMATION THE ADVISOR DISCLOSES

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 a futures commission merchant, to process the Client's account(s) and as expressly permitted by a Client or by law. The Advisor treats non-public personal information concerning former Clients in the same way it treats such information about current Clients.

INFORMATION THE ADVISOR PROTECTS

The Advisor treats non-public personal information in a confidential manner and limits access to the 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 endeavours to maintain appropriate safeguards such as physical, electronic and procedural safeguards to protect such information.

PAST PERFORMANCES

The MFTA performance reports may have not been audited by independent public accountants. However, MFH believes that the information contained in any of their performance tables fairly represents the composite results of its past performance and the details in which they were derived. Composite performance presentations may combine individual accounts that are traded according to the same trading program, but may have differences that affect the actual rate of returns. A composite rate of return may not indicate any rate of return actually achieved by a single account, but it provides a valid representation of the accounts included in the composite. No representation is being made that accounts managed by MFH as managed accounts will achieve profits in the future similar to those shown in any performance tables, *and therefore it must be understood that past performance is never any guarantee of future performance.*

PERFORMANCE DISCREPANCIES

There are various scenarios where returns in a Client's personal trading account may not match returns posted as "official performance". Typically official performances are calculated from the 1st of each calendar month, to the last trading day of the calendar month. This may also be calculated from the first weekend to the last weekend of the following month, depending on the trading platform and FCM being used. If a Client invested in the middle of a month, their performance may not match the Advisors for that particular month, and furthermore, this could make it vary significantly.

Other discrepancies may be caused by the handling of open trades at month-end. Performances may be calculated on the current balance (closed trades) and not on the floating equity (open trades). So open trades which have not realized their PnLs yet may be carried into the subsequent month after they were opened. This may vary from FCM to FCM or from platform to platform or by different analytical software used to compile this data.

Discrepancies may commonly occur in particular in the spot forward currency markets when trading programs at more than one brokerage firm. In the spot forex markets, discrepancies between different brokers no matter which ones, where they are, or how orders are placed will always occur. This is due to the decentralized nature of the trading platforms. Different brokers have different price feeds, different spreads, different mark-ups, different speeds, different tick data, different software, different servers, different bridges, different clearing models, different GMT times, different bridges, different liquidity providers, and different costs, all of which may impact performance in the alternative investment markets, but in particular, much more so in the spot forex markets.

Brokerage commissions may marked up externally (as a round turn transactional cost), or they may be marked up in the spread, or both. This may create noticeable discrepancies between different FCM performances. Different latencies between FCMs when trades are duplicated from one primary (master) brokerage to a secondary brokerage (slave) may cause considerable discrepancies. This will typically always create a different net result.

When trading between multiple FCMs, especially when utilizing 3rd party duplication technology, technical problems may occur (either with the duplication technology itself, or at one of the FCMs participating in the duplicated trading). This may account for a discrepancy in performance between one brokerage and another. Furthermore if a technical error occurs at a Master brokerage, it may be corrected and/or refunded there, but not at the Slave brokerages receiving the duplicated signal.

Prospective Clients should be aware that these, and other potential factors which may cause discrepancies in performance are frequently inherent in the position occupied by MFH. MFH, however, attempts to minimize these discrepancies as much as possible, considering the Client's best interests. All efforts will be made to assure accurate performance of all accounts. Clients should contact MFH to determine the best course of action to limit discrepancies should they be realized on their account. This typically involves simply trading at MFH's recommended FCM where Master accounts are traded initially before being duplicated.

ANTI-MONEY LAUNDERING DISCLOSURES

In order to comply with laws and regulations globally aimed at the prevention of money laundering and prohibiting transactions with certain countries, organizations and individuals, the Advisor may request such information as it reasonably believes necessary to verify the identity of a Client and to determine whether a Client is permitted to be a Client of the Advisor under such laws and regulations. In the event of delay or failure by a Client to produce any information required by the Advisor for these purposes, the Advisor may close a Client's account or may refuse to accept an account of a prospective Client.

Likewise, after reviewing the information provided, it is possible that the Advisor may determine to close a Client's account or to refuse to accept a new account. In certain circumstances, the Advisor may be required to provide information about a Client to regulatory authorities and to take any further action as may be required. The Advisor will not be liable for any loss or injury to a Client or that may occur as a result of disclosing such information or refusing or closing an account.

FURTHER INFORMATION

Any Client or prospective Client considering participation with the MFTA managed by MFH, who is desiring further information concerning the program are strongly urged to request such information by contacting MFH directly.

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