ALL CENTURION PERSONNEL

CENTURION INVESTMENT MANAGEMENT, LLC ("CENTURION vvolk10@gmail.com")

COMMODITY POOL OPERATOR
AND
COMMODITY TRADING ADVISOR
COMPLIANCE AND SUPERVISORY PROCEDURES MANUAL

Effective: 10/1/14

This Manual is the sole property of Centurion and must be returned to Centurion should an employee's association with Centurion terminate for any reason. The contents of the Manual are confidential. Employees may not copy this Manual or make it available in any form to non-employees.

The procedures set forth in this Manual principally relate to the operations of Centurion (i) in its capacity as a Commodity Futures Trading Commission ("CFTC") Rule 4.7 exempt commodity trading advisor ("CTA") and commodity pool operator ("CPO").

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CENTURION INVESTMENT MANAGEMENT, LLC

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The latest updates to this Manual are as follows:

Centurion maintains a policy of requiring full compliance with all applicable Federal, state and local laws, rules and regulations.

Although this Commodity Pool Operator and Commodity Trading Advisor Compliance and Supervisory Procedures Manual (this "**Manual**") is lengthy, it is critical that all members and employees of Centurion (each, an "**Employee**" and, collectively, the "**Employees**") read, understand and adhere to the policies set forth herein. Failure to do so may result in severe criminal and civil legal penalties against Centurion, the investment funds and accounts managed by Centurion (each, a "**Fund**" and an "**Account**," respectively) and the Employee involved, as well as sanctions by Centurion against the Employee (which may include dismissal).

This Manual does not attempt to serve as an exhaustive guide to every legal, regulatory and compliance requirement applicable to the types of activities in which Centurion and its Employees may be involved in the course of conducting the business of Centurion. Rather, this Manual is intended to summarize the principal legal, regulatory and compliance issues relating to Centurion and its Employees, and to establish general policies and procedures governing the conduct of Centurion's business. The Compliance Officer is available to address any questions or concerns relating to such policies and procedures and their interpretation and application or to address any other compliance-related matters not addressed herein.

This Manual is not a contract of employment and does not create any express or implied promises to any Employee. This Manual does not alter the "employment at will" relationship in any way.

Firm policies and procedures are subject to modification and further development. Centurion, in its sole and absolute discretion, may amend, modify, suspend or terminate any policy or procedure contained in this Manual at any time without prior notice. Centurion has sole and absolute discretion to interpret and apply the policies and procedures established herein and to make all determinations of fact with respect to their application.

Each Employee must certify in writing that he has received a copy of, has read and understands, and commits to comply with, this Manual and the policies and procedures established herein.

CERTIFICATE OF REVIEW OF Centurion
CPO/CTA COMPLIANCE AND SUPERVISORY PROCEDURES MANUAL

I certify that I have read and understood the Centurion Investment Management, LLC ("Centurion") Commodity Pool Operator and Commodity Trading Advisor Compliance and Supervisory Procedures Manual (the "Manual"), and agree to adhere to the provisions thereof, including any updates or amendments, at all times during my association with Centurion. If I have had any questions concerning the material included and the procedures described in the Manual, I have raised them with the Compliance Officer and received satisfactory answers to my questions.

I understand that violation of the procedures set forth in the Manual will not be tolerated by Centurion and may constitute a violation of applicable securities and commodities laws and regulations.

_____
Name:

_____
Date:

CENTURION INVESTMENT MANAGEMENT, LLC

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AND COMMODITY TRADING ADVISOR
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I. OVERVIEW

A. General

Centurion Investment Management, LLC ("**Centurion"** or the "**Firm**") has its principal place of business in New York, New York. Centurion may serve as an operator of and/or advisor to "hedge funds" that trade, in whole or in part, commodity interests[1] and are therefore also "commodity pools" (the "**Funds**") and (ii) serves as an advisor to individually-managed accounts that trade, in whole or in part, commodity interests (the "**Accounts**").

Centurion is registered with the Commodity Futures Trading Commission ("**CFTC**") as a commodity trading advisor ("**CTA**") and intends to register as a commodity pool operator ("**CPO**") (with respect to its operation of Funds pursuant to CFTC Rule 4.7), and is a member of the National Futures Association ("**NFA**") in such capacities. All of the policies and procedures set forth in this Manual are applicable to Funds and Accounts operated pursuant to CFTC Rule 4.7. See **Exhibit 1** of this Manual for a list of those Funds and Accounts operated by Centurion pursuant to CFTC Rule 4.7.

As a CPO/CTA, whether acting in a registered or unregistered capacity, Centurion is subject to rigorous fiduciary and regulatory obligations. The activities in which Centurion engages as a CPO/CTA are subject to the Commodity Exchange Act, as amended (the "**CEA**") and the rules and regulations of the CFTC, NFA and the various futures contract markets on which Centurion trades (the "**Exchanges**"). Such laws, rules and regulations are collectively referred to herein as the "**Rules**." Set forth below are the basic policies and principles applicable to the conduct of Centurion's CPO/CTA business. These policies and principles are based on general concepts of fiduciary duty, the internal policies of Centurion and the Rules.

In acting as a CPO/CTA, Centurion owes its investors more than just honesty and good faith; it must discharge its duties solely in the best interests of its investors, particularly in situations where Centurion's interests may conflict with those of its clients.

In the event that any Centurion personnel has reason to believe that there may be a compliance or legal issue that needs resolution (including any violation of, or non-compliance

[1] The terms "commodity interest" or "futures" as used in this Manual include futures and options on futures contracts traded on or subject to the rules of a futures contract market, commodity options, swaps and physical commodities incidental to transactions in futures contracts (*e.g.*, exchange-for-physical ("**EFP**"), exchange-for-swap ("**EFS**") and exchange-for-risk ("**EFR**") transactions).

with, the procedures set forth in this Manual), such person must bring the issue to the attention of the Compliance Officer.

II. SOLICITATION OF INVESTORS (EXISTING OR PROSPECTIVE) STRICTLY LIMITED

A. Contacts with Investors

In general, Centurion personnel should limit their communications with Centurion clients to responding to routine administrative questions. Substantive or investment management-related questions received from clients must be referred to the appropriate personnel listed in **Exhibit 2** hereto. No Centurion personnel shall make any communication with the public that is inconsistent with the policies outlined in this Manual.

B. Solicitation of Investors or Investments Requires "Associated Person" Registration with the CFTC

With respect to CFTC Rule 4.7 Funds and Accounts, all solicitation of investors or client funds must be conducted by personnel who are CFTC-registered as "Associated Persons" or are exempt from such registration, and then only with the knowledge of the Compliance Officer. See **Exhibit 3** for a list of Centurion personnel who are registered as "Associated Persons" to contact clients.

Responding to due diligence inquiries and discharging back-office functions do not constitute solicitation and do not require CFTC registration. However, any client communications that go beyond the foregoing are likely to require registration and must be reviewed with the Compliance Officer.

1. General

The term "Associated Person" ("**AP**") is defined under CFTC regulations to include any individual who solicits orders, funds or customers (or who supervises persons so engaged) on behalf of a registered CPO or CTA (*e.g.*, Centurion). Registration requirements as an AP apply not only to the person who directly supervises the solicitation of futures orders, funds or customers, but also to any person in the supervisory chain of command. As a result, AP registration is required on the part of each individual dealing directly with customers (except in a purely clerical capacity) in connection with the Firm's futures activities, any person who solicits funds or futures orders from customers, and any person supervising employees engaged in such activities (except as otherwise described herein). All APs will be required to become associate members of NFA under NFA's rules.

The Firm completes a background check before hiring a prospective AP. As a part of the background review, the Firm checks with NFA for any futures-related disciplinary actions against the individual or his or her prior employers. The Firm may refuse to hire or implement heightened supervision for any prospective APs who have been disciplined by the NFA or CFTC or whose employers have been disciplined by the NFA or CFTC.

2. Exemptions from AP Registration

All individuals who engage in the foregoing activity must be registered as APs. Further, any Centurion personnel who is individually registered as a CTA does not need to register as an AP of Centurion with the CFTC. However, any such personnel must notify and obtain the prior written approval of the Compliance Officer in order to register, or maintain registration, as a CTA.

Lastly, only third-party selling agents who are properly registered, or exempt from registration with the CFTC and the Financial Industry Regulatory Authority ("**FINRA**"), and approved by Centurion may solicit customers on behalf of Centurion.

Any potential exemptions from AP registration must be reviewed by the Compliance Officer to determine on a case-by-case basis whether such exemption is applicable.

UNDER NO CIRCUMSTANCES MAY ANY CENTURION PERSONNEL NOT REGISTERED AS AN AP OF CENTURION, OR NOT EXEMPT FROM SUCH REGISTRATION, SOLICIT CUSTOMERS, CUSTOMER FUNDS OR CUSTOMER ORDERS FOR RULE 4.7 FUNDS OR ACCOUNTS, MAKE RECOMMENDATIONS OR PROVIDE ADVICE TO SUCH CUSTOMERS OR PROVIDE ANY SERVICES (OTHER THAN IN A PURELY CLERICAL OR MINISTERIAL CAPACITY) TO SUCH CUSTOMERS OR CUSTOMER ACCOUNTS.

3. Multiple Associations of APs

Centurion APs are prohibited from affiliating with another CPO, CTA or CFTC registrant without the prior written approval of the Compliance Officer. Pursuant to CFTC and NFA rules, an AP may affiliate with more than one CFTC registrant by submitting a "short-path" Form 8-R via NFA's Online Registration System. Each firm sponsoring such AP, however, must agree to supervise the AP and to be jointly and severally responsible for the conduct of the AP with respect to any common customers of Centurion and the other sponsoring firm. Given the potential liability to Centurion of dual registered APs, such affiliations require careful scrutiny by Centurion and may be permitted or denied in Centurion's sole discretion.

C. Principals

The term "principal" is defined under CFTC Rule 3.1(a) to include, in the case of a limited liability company, any ten percent (10%) or more owner or person entitled to receive ten percent (10%) or more of the company's profits (whether directly or indirectly), any director, the president, chief executive officer, chief operating officer, chief financial officer, manager, managing member or those members vested with management authority, and any person in charge of a principal business unit, division or function subject to regulation by the CFTC. In addition, any person (regardless of title) occupying a similar status or performing similar functions, having the power, directly or indirectly, through agreement or otherwise, to exercise a controlling influence over an entity's activities that are subject to regulation by the CFTC will be considered a principal. It should be noted that principals who are not registered as APs may not solicit customers, customer funds or customer orders on behalf of CFTC Rule 4.7 Funds or Accounts or supervise persons so engaged. Further, as noted in Section VI.C. below, NFA

requires all promotional material for CFTC Rule 4.7 Funds and Accounts to be reviewed and approved by a principal prior to use.

D. Branch Offices

NFA requires that any location, other than the main business address, at which Centurion employs persons engaged in activities requiring registration as an AP (*i.e.*, activities with respect to CFTC Rule 4.7 Funds and Accounts) be listed as a branch office. This is true even if there is only one person at such location. Centurion's main business address is 590 Madison Avenue , 34th Floor, New York, New York 10022. Any branch offices will be disclosed on Centurion's NFA Form 7-R (if applicable). Such disclosure must include the name of each person who serves as a "branch office manager." Each branch office must have a different branch office manager who must be appropriately qualified as described in Paragraph E.1. below.

E. Individual Registration Procedures

1. Initial Registration and Examination Requirements

NFA Form 8-R, along with a completed fingerprint card and applicable fees, must be filed with NFA on behalf of any individual required to register as an AP or principal. In addition, individuals registering as APs must have successfully completed the Series 3 National Commodity Futures Examination administered by FINRA. Branch office managers must be registered as APs, and also must pass the Series 30 Manager Examination-Futures. Furthermore, Centurion must confirm the prior employment history of all Centurion personnel who are registering as APs, branch office managers or principals. The Compliance Officer will maintain all necessary registration forms and can respond to questions regarding registration requirements and procedures. Centurion will maintain registration/employment files for each employee or officer of Centurion registered with the CFTC.

2. Updates

All Centurion personnel registered as an AP and/or principal must notify the Compliance Officer promptly upon the occurrence of any event that renders information contained in their Form 8-R, and any amendments to Form 8-R, inaccurate. Such events include, but are not limited to, events or conduct requiring a "yes" answer to the Disciplinary History section of Form 8-R. The Compliance Officer or his or her designee will file any necessary updates with NFA.

3. Termination of Employment

Centurion must file an electronic Individual Withdrawal Notice (Form 8-T) with NFA within thirty (30) days of the termination of any employee registered with NFA.

F. CPO/CTA Registration

As indicated above, Centurion is registered with the CFTC as a CTA and CPO and is a member of NFA in such capacity. Registration as a CTA was accomplished by filing a Form 7-R and applicable schedules with NFA.

Any change in the information contained on Centurion's Form 7-R must be reported promptly to NFA using NFA's Online Registration System. Centurion's registrations as a CPO and a CTA will continue until it withdraws its registrations or such registrations are revoked by NFA. Failure to update its registration records with NFA and to pay an annual Records Maintenance Fee will be treated by NFA as a request for withdrawal. The Compliance Officer or his or her designee is responsible for filing Centurion's and its registered employees' registration forms and all updates to such forms.

III. INVESTOR SUITABILITY AND DOCUMENTATION

A. General

(i) No investor who does not qualify as a "Qualified Eligible Person" under applicable CFTC rules may be solicited for any CFTC Rule 4.7 Fund or for any Account. Written approval by the Compliance Officer is required for clients wishing to open an Account.

(ii) Pursuant to NFA By-Law 1101, Centurion, as an NFA member, may not accept any investment in any Account or Fund from any non-member of NFA that is required to be registered with the CFTC. Prior to approving any such new investment, Centurion must make such inquiries as may be necessary to verify that the foregoing rule is complied with. (For example, if, based upon the information known to Centurion, the client appears to be operating a commodity pool but claims to be exempt from registration as a commodity pool operator, the Compliance Officer or his or her designee will inquire as to the client's CFTC registration and NFA membership status or applicable exemption therefrom and will make a written record of such inquiry and the results.)

(iii) Investors in a Fund must meet all applicable securities law qualification standards (such as "accredited investor," "qualified purchaser" or "qualified client," as the case may be), the investment generally must be suitable and appropriate for the investor, and the investor must be able to understand and appreciate the risks of the investment.

B. Investor Suitability

The Funds and Accounts managed by Centurion generally employ non-traditional investment strategies suitable only for financially sophisticated investors' portfolios. Centurion will not accept any investor unless Centurion reasonably believes that making such investment is appropriate for the client in question. If Centurion has reason to believe that a prospective client's investment in a Fund or an Account is not appropriate, Centurion will not accept such investor.

Notwithstanding the representations and warranties or information received from a prospective investor, if Centurion personnel have reason to believe (without any duty of independent inquiry) that a proposed investment, or the amount of a proposed investment, may be inappropriate for a prospective investor, such personnel should inform the Compliance

Officer so that he can ensure that Centurion will not accept such investment. Similarly, if Centurion personnel have reason to believe that an existing Centurion investor has fallen into financial difficulties or may no longer be qualified as an investor, such personnel must promptly inform the Compliance Officer.

C. Investor Documentation

All client investments must be documented by a written Subscription Agreement or Advisory Agreement, as applicable. Each such Agreement must be reviewed and approved by the Compliance Officer or his or her designee before the related investment is accepted. With respect to a Fund, the form of the required Subscription Agreement is included in the subscription documents prepared for such Fund and additional information regarding certain types of entity investors (*e.g.*, ERISA accounts, trusts), and particular issues relating thereto, is available from the Compliance Officer. With respect to opening an Account, personnel should contact the Compliance Officer to obtain the appropriate form of Advisory Agreement and other account opening documents.

From time to time, there will be a review of all client files by the Compliance Officer or his or her designee to ensure that executed Subscription Agreements, Advisory Agreements and any other necessary documents and information have been provided to Centurion.

D. Customer Information

NFA Rule 2-30 imposes upon the Firm, as an NFA member, a general obligation to obtain customer information from CPO investors and CTA clients. One of the most important steps in ensuring that the Firm "knows its customers" is the process of the Firm diligently obtaining accurate and complete information from an investor or customer at the beginning of the relationship, when initial documentation is completed. The Firm will obtain the required customer information before executing trades with investor or customer funds. In addition, the investor is required to notify the Firm if any information changes from that previously provided. The Firm will satisfy this obligation by obtaining the information requested of the investor in the investor's Fund subscription agreement or Account advisory agreement, as applicable. At minimum, the Firm will obtain the following information from each investor or customer:

1. the investor's or customer's true name and address, and principal occupation or business;

2. for investors or customers who are individuals, the investor's or customer's current estimated annual income and net worth. For all other investors or customers, the investor's or customer's net worth or net assets and current estimated annual income, or where not available, the previous year's annual income;

3. for individuals, the investor's or customer's approximate age or date of birth;

4. an indication of the investor's or customer's previous investment and futures trading experience; and

5. such other information used or considered to be reasonable by the Firm in making recommendations to the investor or customer.

In addition, if the Firm is not a FINRA member, it must obtain the following information from each customer who is an individual if the customer trades security futures products:

6. whether the investor's or customer's account is for speculative or hedging purposes;

7. the investor's or customer's employment status (*e.g.*, name of employer, self-employed, retired);

8. the investor's or customer's estimated liquid net worth (cash, securities, other);

9. the investor's or customer's marital status; and

10. such other information used or considered to be reasonable by the Firm.

IV. PROPRIETARY AND CONFIDENTIAL INFORMATION

In the course of employment or engagement by Centurion, employees and officers will become aware of information (including, without limitation, trading strategies, positions, customer identities, terms of business) that may have intrinsic value to Centurion, its customers or other parties with which Centurion has a relationship, or that may provide Centurion with a competitive advantage. All such information is regarded as "proprietary." Since such information is also generally not known to the public, it is regarded as "confidential." Directors, officers or employees of Centurion are obligated to safeguard and prevent the disclosure of all proprietary and/or confidential information.

V. PREPARATION AND UPDATING OF OFFERING MEMORANDA

A. Preparation of Offering Memoranda

All offering memoranda (including all prospectuses, private placement memoranda or disclosure documents) are prepared by Centurion and are subject to review by the Compliance Officer and outside counsel. No offering memorandum may be used until it has been reviewed and approved by a principal of Centurion (see Section II.C.). Offering Memoranda distributed in connection with soliciting prospective participants in a Fund must include all disclosures necessary to make the information contained therein, in the context in which it is furnished, not misleading. The following is a general summary of the primary disclosures that are required to be delivered to investors in the Funds or Accounts and any regulatory procedures that must be followed before soliciting an investor in a Fund or Account. In addition, the Firm must disclose any material business dealing between the pool and the pool's operator, commodity trading advisor, futures commission merchant or their principles. Employees who desire more specific information regarding these topics should contact the Compliance Officer.

B. CFTC Rule 4.7 Disclosure[2]

The following statement must be prominently disclosed on the cover page of the offering memorandum, or, if none is provided, immediately above the signature line on the subscription agreement or other document that the prospective participant must execute to become a participant in the Fund:

"PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL."

With respect to the offering of an Account, the following statement must be prominently displayed on the cover page of any disclosure brochure or statement or, if none is provided, immediately above the signature line of the agreement that the client must execute before it opens an account with the commodity trading advisor:

"PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE OR ACCOUNT DOCUMENT."

C. Updating Offering Memoranda for Funds

1. Domestic Funds and Accounts

Because all domestic Funds and Accounts that trade commodity interests are exempt from specific CFTC disclosure requirements pursuant to CFTC Rule 4.7, there are no specific regulatory requirements regarding the updating of their offering memoranda other than that prospective investors must receive all material information prior to making an investment decision, and that, in certain circumstances, existing investors must receive certain updated information that is material to their investment.

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[2] Note: A CFTC Rule 4.7 notice must be filed with the CFTC for each new Fund offered pursuant to CFTC Rule 4.7. See Section X of this Manual.

2. Offshore Funds and Accounts

Centurion currently operate offshore Funds and Accounts. However, because all such offshore Funds and Accounts that trade commodity interests would be exempt from specific CFTC disclosure requirements pursuant to CFTC Rule 4.7, there are no specific regulatory requirements for updating their offering memoranda. Whenever an offering memorandum is prepared or updated for an offshore Fund or Account, the Compliance Officer should ensure that a copy is reviewed by offshore counsel. (Offshore disclosure requirements frequently change with respect to such matters as money-laundering and "professional investor fund" disclosures pursuant to the applicable regulations of the jurisdiction in which such funds are organized; also, offshore counsel should have a set of current offering material, and it may be appropriate to file the offering memorandum with the local authorities.)

D. Delivery of Updated Offering Memoranda to Existing Investors

If Centurion amends the offering memorandum or disclosure document for a Fund or Account, copies of the revised offering memorandum or disclosure document will be sent to all existing investors or clients for such Fund or Account if Centurion determines that the amendments are material in light of the information Centurion has previously sent to existing investors and clients (including, *e.g.*, monthly reports).

E. Log of Delivery of Offering Memoranda and Other Documents

Centurion will maintain a log tracking the delivery of all offering memoranda, disclosure documents, Subscription Agreements, Advisory Agreements and related materials to prospective and current investors and clients in Funds and Accounts, including the name of the person to whom it was delivered, who delivered it, and the date of delivery.

VI. PROMOTIONAL MATERIAL

A. Promotional Material Includes All Forms of Client Communications

All material sent or otherwise transmitted to clients for the purpose of soliciting an investment in a CFTC Rule 4.7 Fund or Account, even if to only a single, prospective institutional client, constitutes "promotional material" as defined in NFA Rule 2-29, NFA's rule regarding the use and approval of promotional material. This includes responses to "Requests for Proposals," individual client solicitations by letter or standardized "scripts" for responding to inquiries. Periodic investor letters/reports also constitute promotional material.

B. Promotional Material in General

1. No Misleading Promotional Material

Centurion is prohibited from using any promotional or marketing material that is, in any respect, false or misleading. Whether promotional or marketing material is misleading depends on all the relevant facts and circumstances and the sophistication of the prospective client. Centurion only solicits highly sophisticated, high net worth individuals and institutions.

However, despite the highly sophisticated nature of Centurion's client base, certain information is prohibited in Centurion's promotional material, as follows.

2. No Guarantees Against Loss; No Projections

No Centurion personnel may suggest, much less guarantee, a specific investment result (such as by indicating there will be gain or no loss) for any Fund or Account. Specific predictions or projections of future performance are prohibited.

3. No Flamboyant Material or Statements Suggesting Likelihood of Quick Profits

All promotional material must adopt a balanced approach indicating the risk of loss to offset references to profit potential. Representations suggesting the possibility of quick profits may never be made. Each statement regarding profit potential must be balanced by a statement of risk.

4. Testimonials

The use of testimonials in promotional material is prohibited without the prior approval of the Compliance Officer. In addition, reference to the results of specific past trades (as opposed to the overall performance of a Fund or an Account since inception) is prohibited, due to concerns over "cherrypicking." However, pursuant to Section VI.B.6. below, hypothetical examples of different types of trades are permissible (with the approval of the Compliance Officer, provided disclosure regarding the hypothetical nature of such trades is made).

5. Current Performance Data Requirement

All Centurion performance information included in any promotional material must be as current as reasonably practicable, generally as of a date not more than three months preceding the date of the document in which such performance data is included.

6. No Hypothetical or Extracted Records

No hypothetical or extracted performance information may be used without the prior approval of **[the Compliance Officer]**.

7. Statements of Opinion

Any statement of opinion used in promotional material must be clearly identified as an opinion and must have a reasonable basis in fact. The Firm must maintain support for any such opinions.

8. Deceptive Promotional Materials

The Firm prohibits the use of any promotional material that is misleading or deceptive, including, but not limited to, material that contains any of the following: (i) claims regarding seasonal trades; (ii) claims regarding historical price moves; (iii) claims regarding price

movements that are characterized as conservative estimates, which would actually be dramatic; (iv) claims using pricing data for a product different from the one being marketed in the promotional material; (v) exaggerated claims concerning projected profits (*e.g.*, turn $10,000 into $40,000); (vi) claims based on "cherry picked" trades; or (vii) claims using improper examples of mathematical leverage.

9. Specific Disclosures Required re: Past Performance Information

The presentation of performance in marketing material is prohibited if: (a) the marketing material suggests or makes claims about the potential for gain without disclosing the possibility of loss or fails to state that past results are not necessarily indicative of future performance; and (b) the marketing material includes performance results that do not reflect the deduction of advisory fees, brokerage or other commissions, or any other expenses that a client would have paid. **All performance must be presented net of fees. Notwithstanding the foregoing, in the event the presentation of performance results is *pro forma* (*i.e.*, results are adjusted to reflect all expenses a client would have paid, but were not actually incurred), actual performance may also be presented, provided it is accompanied by a disclosure explaining the results and how they would differ from the results a client would achieve.**

C. All Promotional Material to be Reviewed and Approved by a Principal Prior to Use

All promotional material prepared by or under the supervision of Centurion personnel or prepared by any other person with the knowledge of Centurion personnel is subject to review and approval by a principal of Centurion. Such review and approval will be indicated by initialing by such principal.

Centurion personnel may only use promotional material furnished to them by Centurion. Centurion personnel may never use their own promotional letters or other presentation material.

D. All Promotional Material Subject to Uniform Standards

All promotional material must comply with the same standards, irrespective of whether such material is delivered exclusively to institutions.

E. Standards for Review of Promotional Material

1. General Standards

All promotional material for CFTC Rule 4.7 Funds and Accounts is required to comply with NFA Compliance Rule 2-29 (See NFA Interpretive Notice at **Attachment A**). Rule 2-29 requires that each statement of profit potential be accompanied by an equally prominent statement of risk and that any reference to past performance be accompanied by a warning that past performance is not necessarily indicative of future results.

2. Certain Prohibitions

Certain information cannot be included in promotional material because it is considered *per se* misleading. Such information includes (pursuant to Centurion policy and/or explicit CFTC/NFA rules) hypothetical or extracted performance information (subject to Section VI.B.6 above), specific predictions or projections, third-party testimonials (subject to Section VI.B.4 above) and guarantees of future performance. (See, *e.g.*, NFA Interpretive Notice at **Attachment B**.)

3. Required Maintenance of Supporting Documentation

Centurion must maintain supporting documentation for all information (performance-related or otherwise) contained in its promotional material for at least five years after such material was last distributed. No performance for which the back-up is not available and maintained at Centurion may be used. Monthly investor account statements or other summaries are not sufficient substantiation. Supporting documentation, such as trading confirmations and brokerage account statements generated by third-parties, must be maintained for at least five years from the date of the last use of the related performance records. (See NFA Rule 2-29(f), CFTC Rule 1.31 and Section XII.U. of this Manual.)

F. No Required Regulatory Filings of Promotional Material for Domestic Funds

While Centurion must itself maintain a compliance file containing all of its promotional material, there is no requirement that promotional material be filed with any U.S. regulatory authority prior to use.

G. Regulatory Filings of Promotional Material for Offshore Funds

The Compliance Officer will consult with offshore counsel to determine what, if any, filing requirements may be in effect for promotional material with respect to Centurion's offshore Funds.

H. Website; Social Media; Electronic Communications

1. Websites

Centurion has adopted the following additional policies with respect to websites: (i) The use by Centurion employees of personal websites for the purpose of attracting business to Centurion is prohibited; (ii) Centurion will not pay any person or firm to provide a hyperlink on its website to any Centurion website without the specific written approval of the Compliance Officer and review of such person's or firm's website by outside counsel; (iii) Centurion websites will not provide hyperlinks to other websites, other than those of government agencies and self-regulatory organizations, without the prior written approval of the Compliance Officer and review of such other websites by outside counsel; and (iv) Centurion will not distribute its promotional materials (including performance information) to any person or firm which Centurion reasonably believes intends to place such materials on their website.

2. Social Media, Blogs, Internet Networking

The Firm and its employees are strictly prohibited from using social media websites (*e.g.*, Facebook, Twitter, or LinkedIn) for business purposes. Firm employees are expressly prohibited from discussing any Firm business or disseminating any company, proprietary, performance, marketing or other Firm information in, on or through any type of blog, chat room, social media website, message or bulletin board, or any other public internet forum for any reason. Unauthorized use of social media, blogs, chat rooms, or similar websites for business purposes will result in disciplinary action up to and including termination. Any questions related to this policy should be directed to the **[Compliance Officer]**.

3. E-Mail

Routine e-mail correspondence with members of the public, including routine responses to inquiries regarding promotional material previously transmitted, does not, in general, constitute promotional material. Approximately ten e-mail messages per month per AP constituting promotional will be reviewed.

The Compliance Officer or his or her designee shall, no less frequently than once every year, evaluate the effectiveness of Centurion's e-mail policies and supervisory procedures and modify them as necessary.

E-mail to members of the general public with respect to prospective investments in Funds or Accounts shall bear the following cautionary statement: "**Futures trading is speculative and may result in losses. Past performance is not necessarily indicative of future results.**"

I. Promotional Material Log and File

The Compliance Officer or his or her designee will maintain a Promotional Material Log that indicates the manner in which all promotional material sent to existing or prospective investors is used (as opposed to being used only in the context of person-to-person presentations and not otherwise distributed) and the person(s) who approved such material. Note: Only a principal of Centurion may approve such material and such approval must be secured in advance of its first use. Any Employee who intends to utilize promotional materials not previously approved by a principal of Centurion must first submit a copy of the materials to a principal, as described in Section VI.C. above.

Copies of all promotional material used must be maintained in the Promotional Material File maintained by the Compliance Officer (such copies to be marked to indicate approval by the appropriate reviewing principal).

J. Third-Party Solicitors

All solicitation arrangements with third-parties must be pre-approved by the Compliance Officer. All third-party solicitors must be appropriately registered or exempt from registration with the CFTC and/or other applicable regulatory and self-regulatory authorities.

VII. HANDLING INVESTOR COMMUNICATIONS

A. All Investor Communications to Be Reviewed

All communications received from investors, whether oral or written, except those with respect to routine administrative matters only, must be promptly referred to the Compliance Officer.

B. Centurion Complaint Procedures

Centurion personnel shall notify the Compliance Officer upon receipt of any written or oral investor complaint. No Centurion personnel may respond to any form of complaint without first contacting the Compliance Officer.

Copies of all letters of complaint and memoranda describing all oral complaints, as well as the response (if any), must be maintained in the Complaint Log.

C. Periodic Review of Complaint Log

The Compliance Officer will be the person principally responsible for maintaining the Complaint Log. The Compliance Officer or his or her designee will periodically review the Complaint Log to ensure that the guidelines above are being followed.

VIII. PERIODIC REPORTS

A. Required Periodic Reports for Domestic 4.7 Funds

The CFTC requires that a quarterly report be transmitted to all investors in all CFTC Rule 4.7 Funds within 30 days of the end of the quarter covered by the report. Nonetheless, Centurion has undertaken to provide monthly reports, which will contain the information set forth in Section VIII.C below.

NFA also requires that a quarterly report be submitted to NFA with respect to each Rule 4.7 Fund within 45 days of the end of the quarter covered by the report, which report must include:

(i) the identity of the Fund's (a) administrator, (b) carrying broker(s), (c) trading manager(s), and (d) custodian(s);

(ii) a statement of changes in net asset value for the quarterly reporting period;

(iii) monthly performance for each of the three months comprising the quarterly reporting period; and

(iv) a schedule of investments identifying any investment that exceeds 10% of the Fund's net asset value at the end of the quarterly reporting period.

The Compliance Officer or his or her designee will file such reports electronically using NFA's EasyFile System and will retain a copy of the filed report in Centurion's periodic report file.

B. Filing of Periodic Reports

1. No CFTC Filings Required

Centurion monthly investor reports do not need to be filed with the CFTC.

2. Centurion to Maintain a Compliance File of All Reports

The Compliance Officer shall be responsible for ensuring that Centurion maintains a file in which it retains one executed copy of each monthly report sent to investors, as well as a copy of each quarterly report filed with NFA. The file as a whole must contain a general certificate stating that the photocopied signatures on the reports sent to investors and in particular on the CFTC-required Oath and Affirmation contained in such reports have the same legal effect as the executed signatures on the monthly reports included in the file.

C. Information to Be Included in the Monthly Reports for CFTC Rule 4.7 Funds

1. Financial Summary

The only disclosures required in the monthly reports – besides "all other material information" – are summary financial information and the CFTC Oath and Affirmation executed by a Manager of Centurion.

The summary financial information must be presented and computed in accordance with generally accepted accounting principles and must indicate:

(i) the net asset value of the Fund as of the end of the reporting period;

(ii) the change in net asset value from the end of the previous reporting period;

(iii) either (a) the net asset value per outstanding unit of participation in the Fund or (b) the total value of the applicable investor's interest or share in the Fund, in each case, as of the end of the reporting period; and

(iv) where the Fund is comprised of more than one ownership class or series, the net asset value of the class or series on which the monthly statement is reporting, and the net asset value (per unit, if applicable) of the applicable investor's share therein; provided that, in the case of a Fund with segregated series (*i.e.*, having limitation of liability between such series), the monthly statement is not required to present the consolidated net asset value of all series of the Fund.

2. CFTC Required "Oath and Affirmation"

The CFTC requires that a Manager of Centurion or another person duly authorized to bind the pool complete the Oath and Affirmation as follows:

"To the best of the knowledge and belief of the undersigned, the information contained in this report is accurate and complete."

The following information must be typed beneath the signature of the individual signing the Oath and Affirmation: (i) the name of the individual signing, (ii) the individual's title (*e.g.*, Manager); (iii) the name of the CPO (*i.e.*, Centurion); and (iv) the name of the commodity pool for which the document is being distributed.

D. Reports on Form CPO-PQR

The Firm is required to file Schedule A of Form CPO-PQR for each reporting period that it satisfies the definition of CPO and operates at least one pool. The filing date for Schedule A depends on whether the Firm qualifies as a large CPO. A large CPO is defined as a CPO that had at least $1.5 billion in aggregated pool assets under management as of the close of business on the last day of any calendar quarter. If the Firm qualifies as a large CPO, it must file Schedule A of Form CPO-PQR within 60 days of the end of the calendar quarter for which it qualified as a large CPO. The Firm must file Schedule A within 90 days of the last day of any calendar quarter in which it does not qualify as a large CPO.

In addition, the Firm must complete Schedule B of Form CPO-PQR within 90 days of the last day of any quarter in which it qualifies as a mid-sized CPO and within 60 days of the last day of any quarter in which it qualifies as a Large CPO. A mid-sized CPO is defined as a CPO that had at least $150 million in aggregated pool assets under management as of the close of business on the last day of any calendar quarter. The Firm will be deemed to satisfy the Schedule B requirements if it is registered with the SEC as an Investment Adviser, operated only pools that satisfy the definition of Private fund during the calendar quarter, and completed and filed Section 1.b and 1.c of Form PF for each pool it operated during the calendar quarter.

The Firm must also complete Schedule C of Form CPO-PQR within 60 days of the last day of any quarter in which it qualifies as a large CPO. The Firm will be deemed to satisfy the Schedule C requirements if it is registered with the SEC as an Investment Adviser, operated only pools that satisfy the definition of Private fund during the calendar quarter, and completed and filed Sections 1 and 2 of Form PF for the appropriate calendar quarter.

E. Periodic Reports for Offshore Funds

As with the domestic Funds, any offshore Funds that are CFTC Rule 4.7 "commodity pools" are subject to CFTC Rules requiring a quarterly reporting cycle. Nonetheless, Centurion intends to provide monthly reports, which will contain the information set forth in Section VIII.C above.

F. No Periodic Investor Reports for Accounts Required

Centurion is not required to prepare and deliver periodic reports or account statements to investors in any Accounts.

IX. ANNUAL REPORTS

A. Required Annual Reports for CFTC Rule 4.7 Funds

The CFTC requires that an Annual Report including audited financial statements prepared in accordance with U.S. generally accepted accounting principles and certified by an independent accountant be transmitted to all investors in all Funds that are CFTC Rule 4.7 "commodity pools" within 90 days after the end of the year covered by such Report.

B. Annual Report Certification

The **[Chief Executive Officer or other person duly authorized to bind the pool operator]** must certify the accuracy the Annual Report by making an oath or affirmation that, to the best of his or her knowledge and belief, the information contained in Annual Report is complete and accurate. It is unlawful for the individual to make such an oath or affirmation if he or she knows or should know that any of the information in the document is not accurate or complete.

C. CFTC Filing of Required Annual Report

1. All Annual Reports for CFTC Rule 4.7 Funds to be Filed With the CFTC

Any Fund which trades futures must file an Annual Report (which must also contain the CFTC Required "Oath and Affirmation" (see Section VIII.C.2. above)) with the CFTC/NFA.

2. Centurion to Maintain a File of Executed Annual Reports

As in the case of the monthly reports, the Compliance Officer shall be responsible for ensuring that Centurion maintains a file in which it retains one executed copy of each Annual Report required to be filed with the CFTC. The file as a whole should contain a general certificate stating that the photocopied signatures on the reports sent to investors have the same legal effect as the executed signatures on the Annual Reports included in the file.

D. Annual Reports for Offshore Funds

The Compliance Officer, in conjunction with offshore counsel, will determine whether annual reports for offshore Funds are required to be filed in the applicable offshore jurisdiction.

Monthly and annual report files should be maintained for all Funds.

X. CFTC NOTICES

A. CFTC Rule 4.7 Notices

In order to operate the Funds pursuant to the exemptive relief provided by CFTC Rule 4.7 Centurion must electronically file a Notice with NFA for each such Fund prior to any offer or sale to investors in such Fund. The claim of exemption must state the specific relief claimed under Rule 4.7 and name the specific Fund or Funds for which relief is claimed, and must represent that neither Centurion nor any of its principals is statutorily disqualified under the CEA and that the Fund will be offered and operated in compliance with Rule 4.7, and must also state the date of the offering or that the offering will be continuous. Centurion maintains a file in which all Rule 4.7 Notices for the Funds are kept. These notices need only be filed once for each such affected Fund; they are not required to be renewed. In addition, Centurion has filed a CFTC Rule 4.7 Notice with NFA with respect to Centurion's activities as a CTA. This single claim of exemption covers all Accounts managed by Centurion pursuant to the exemptive relief provided by CFTC Rule 4.7 and need not be refiled for new Accounts. Such CFTC Rule 4.7 Notice shall also be maintained in the appropriate Centurion files.

XI. OFFSHORE FUNDS

A. Offshore Distribution Procedures

Legal compliance in respect of the distribution of promotional material outside the U.S. (as prescribed by foreign laws) will be the responsibility of the Compliance Officer or his or her designee, who must be consulted before any offshore marketing is undertaken.

B. Conformity of Domestic and Offshore Disclosures

It is Centurion policy that offshore investors receive the same disclosures (in pertinent part) as their U.S. counterparts.

U.S. persons may invest in offshore Funds only with the approval of the Compliance Officer and, in general, any such U.S. person must be a U.S. tax exempt entity.

All offshore Funds will enter into administrative services agreements with _____ or another administrator as appointed by the manager of the applicable Fund (the "**Administrator**"), pursuant to which the Administrator will perform administrative services for such Funds on an independent contractor basis.

*All CPO records must be maintained at Centurion's principal office for the prescribed periods, except as provided in Section XII below with respect to offshore Funds. The Compliance Officer shall confirm that all necessary records are being kept at Centurion's principal office as part of the annual NFA Self-Examination Checklist procedure (see **Attachment D**).*

XII. RECORDKEEPING

Except as otherwise described below, all of the following material required to be maintained pursuant hereto shall be kept in Centurion's principal or main office by the Compliance Officer. As a general rule, the original records of any offshore Funds, as well as the domestic Funds, shall be maintained at Centurion's main office for prescribed time periods and in prescribed formats (as discussed in Section XII.U. below). However, provided, in the case of CFTC Rule 4.7 Funds, that Centurion has made a filing with NFA pursuant to CFTC Advisory 18-96, records of the offshore Funds that are generated by the offshore Administrators may be maintained at the offices of the offshore Administrators, provided that, within 48 hours after a request by the CFTC, NFA or other authorized agency, Centurion will obtain such records (or, with the consent of the requesting agency, copies thereof) and provide them to the requesting agency for inspection at Centurion's main office or other location mutually acceptable to Centurion and the requesting agency. All such offshore records must be retained for prescribed time periods and in prescribed formats (as discussed in Section XII.U. below).

A. Promotional Material and Other Investor Communications

A copy of each item of promotional material, dated and initialed to indicate approval, and any other letter, report or writing delivered to existing or prospective Fund investors or Account clients shall be retained in a Promotional Material File.

B. Charter Documents; Minute Books; Books of Original Entry[3]

Charter documents of Centurion, the Funds and all affiliates of any of the foregoing.

Minute books for all Funds organized as corporations.

Journals for cash receipts, disbursements and other original entry records relating to Centurion.

C. General and Subsidiary Ledgers

These include accounts summarizing and categorizing the assets, liabilities, equity, income and expenses of Centurion.

D. Other Financial Records Relating to the Business of Centurion

These include:

(a) financial statements, trial balances and internal audit working papers;

(b) checkbooks, bank statements, canceled checks and cash reconciliations;

[3] Original copies of the organizational documents of offshore Funds may be required to be maintained in the jurisdiction of their organization at the registered office of such Funds, in which case duplicates of such records will be maintained at Centurion's main office.

(c) paid and unpaid invoices and statements for receivables and payables.

The objective is to maintain at Centurion comprehensive back-up for Centurion's financial position, results of operations and fee collections.

E. Accounting Records

The records of personal financial transactions of Centurion personnel must be kept strictly separate from those of Centurion itself.

F. Offering Memoranda, Subscription Agreements, Advisory Agreements and Side Letters

All offering memoranda and disclosure documents, Subscription Agreements, Advisory Agreements and Side Letters, including, specifically, any other documentation obtained confirming the investor's or client's receipt of an offering memorandum or disclosure document and qualification to invest in the particular Fund or Account (*e.g.*, "qualified eligible person" representations, etc.).

No client may invest in a Fund without having first executed and delivered a written Subscription Agreement, Shareholders Agreement or comparable document acceptable to the Compliance Officer.

No client may open an Account without having first executed and delivered the applicable Advisory Agreement acceptable to the Compliance Officer.

G. NFA Exemptive Notices

Copies of all CFTC Rule 4.7 claims of exemption filed with NFA.

H. Agreements to Which Funds or Centurion Are Party

All executed agreements relating to the Funds or Centurion (including agreements no longer in effect).

I. Transaction Records; Error Reports

All confirmations and receipts for all securities, futures and over-the-counter derivatives transactions; each monthly statement received from FCMs and/or executing brokers; and any error reports (*see* Section XIV.C.); in each case, for each Fund and Account, as well as for the proprietary trading accounts of Centurion.

If Centurion is subject to large trader reporting in any commodity (*see* Section XV.B.), copies of all documentation relating to any related cash commodity transactions must be kept. If Centurion executes any exchange of futures for physical type transactions (*i.e.*, EFPs, EFSs or EFRs as described in Section XIV.K hereto), all documentation relating to both the futures component and the related cash market/swap/derivatives transaction must be kept.

J. Receipts; Disbursements

All receipts for funds or securities; all disbursement orders.

K. Journal Entries

A journal or other record showing all purchases, sales, receipts and deliveries of securities (including certificate numbers) for each Fund or Account and all other debits and credits to each Fund or Account.

L. Ledgers

A separate ledger account for each Fund or Account showing all purchases, sales, receipts and deliveries of securities, the date and price of each such purchase and sale and all debits and credits.

M. Current Portfolio Reports

A current record of each futures, futures option or forward position of each Fund.

N. Periodic Reports and Annual Reports

Copies of each monthly account statement, Annual Report, quarterly report submitted to NFA, Form CPO-PQR, Form CTA-PR, and any other report filed with a regulator.

O. Employee Registration Records; Personnel Biographies

All NFA records relating to the registration and qualification of registered employees will be kept by the Compliance Officer. See Section II.E. of this Manual.

Biographical information concerning all personnel must be obtained in order to verify their qualifications and that they have been subject to no material litigation or disciplinary proceedings.

All Centurion personnel must report to the Compliance Officer any material civil, administrative or criminal proceedings to which they become subject or which they believe may be threatened against them.

P. Record of Distribution of Internal Manuals and Procedures

Records identifying the distribution of this Manual, the Business Continuity and Disaster Recovery Plan and any other internal compliance materials will be kept by the Compliance Officer.

Records of materials used by Centurion in connection with any ethics training of personnel (*see* Section XVI.B. below).

Q. NFA Notices to Members

The Compliance Officer or his or her designee will maintain an electronic file of all NFA notices to members as received from time to time from NFA. The Compliance Officer will circulate any such notices as he considers appropriate.

R. Complaint Log

All investor complaints must be recorded and maintained in a Complaint Log together with the responses thereto and a written description of the outcome of the complaint pursuant to Section VII.B.

S. Communications with Regulators

The Compliance Officer will maintain a file of all communications (other than routine transmittal letters) between Centurion and any regulatory body (including copies of all CFTC Rule 4.7 Notices and Form 40 filings).

T. NFA Self-Examination Checklist Certifications

The certification required for each annual Self-Examination Checklist review undertaken by Centurion (*see* Section XVI.G. below).

U. Retention Periods; Storage Format

(a) All books and records described above must be maintained and preserved as follows:

(i) in the office of Centurion for at least two years after last entry date or the date of circulation, as applicable; and

(ii) in an easily accessible place for at least three additional years.

(b) All records of offshore Funds maintained by offshore Administrators must be maintained and preserved as follows:

(i) in the offices of the offshore Administrator for at least two years after last entry date or the date of circulation, as applicable; and

(ii) in an easily accessible place (in the custody of the Administrator) for at least three additional years.

(c) Records that support performance-related information must be kept for at least five years from the date such performance results were last used. (*see* Section VI.E.3.)

(d) All such books and records may be maintained in hard copy or in electronic form as set forth in **Attachment E** hereto, CFTC Record Storage Criteria.

V. Periodic Review of Records

There will be a periodic random review by the Compliance Officer or his or her designee to ensure that Centurion is maintaining the required books and records for the proper period of time, location and format.

XIII. ERISA Considerations

Centurion does not intend to act as an "investment manager" for ERISA Plans. Centurion must not accept any investment which would result in "employee benefit plans" subject to ERISA representing 25% or more of any class of securities of any Fund.

Centurion will review each of the Funds each time there are new investments or withdrawals to verify that the 25% ERISA Plan investment ceiling is not exceeded. If a Fund appears to be approaching this ceiling, Centurion will consult with the Compliance Officer concerning the consequences of the Fund in question being deemed to hold "plan assets."

Centurion may, with the prior approval of the Compliance Officer, accept an investment in an Account subject to ERISA.

XIV. TRADE PRACTICES AND PROCEDURES

A. Overview; Anti-Fraud and Anti-Manipulation Prohibitions

Set forth below are procedures to be followed by a Centurion employee with respect to transactions in commodity interests for Funds or Accounts as well as for any Centurion employee, principal or officer or for Centurion's own account. Some types of transactions (*e.g.*, cross trades, block trades or exchange for physicals) entail additional procedures as discussed below. Additionally, there are a number of trade practices that are prohibited by the Rules and Centurion policy as discussed below. Firm employees may not engage in fraudulent or manipulative activities or prohibited trade practices.

There are several sections of the CEA that prohibit fraud in connection with transactions in commodity interests. Section 4b of the CEA makes it illegal for any person in connection with a futures contract: (1) to cheat or defraud or attempt to cheat or defraud another person; (2) willfully to make false reports or statements to another person; (3) willfully to deceive or attempt to deceive another person; or (4) to "bucket" orders. Section 4c(a) of the CEA prohibits "wash sales," "accommodation trades," "fictitious sales" and causing non-bona fide prices to be reported or recorded. Section 4c(b) applies the CEA's antifraud prohibition to commodity options. Section 4o of the CEA prohibits fraud by CTAs and CPOs upon any client or prospective client.

Section 9(a)(2) of the CEA makes it a felony for any person to manipulate or attempt to manipulate the prices of any commodity in interstate commerce or for future delivery, to corner or attempt to corner any commodity, to knowingly communicate false or misleading price reports of any commodity, or violate antifraud provisions of the CEA. The CFTC determines if there has been a violation of the CEA's anti-manipulation provisions by evaluating whether: (1) a party has the ability to influence market prices; (2) the party specifically intended to influence

market prices; (3) an artificial price occurred; and (4) the party's conduct caused the artificial price (in the case of an attempted manipulation, only the first two elements would be necessary).

B. Transmission of Orders; Investments in Other Funds or Managed Accounts

Traders may place orders on Exchanges only through those executing brokers that have been specifically approved by Centurion for each Fund or Account. Traders may place orders directly with such executing brokers or through an electronic order routing system. In addition, prior to making any investment in another fund or managed account, Centurion must assure itself that such fund or managed account advisor is properly registered, or exempt from registration, with the CFTC. (*see* NFA Bylaw 1101.)

C. Errors and Adjustments

1. Errors

Errors committed in the handling or execution of commodity interest transactions must be rectified immediately upon discovery, or as soon as possible at the opening of the next trading session if the error is discovered after the close of a regular trading session. Appropriate corrective action may include adjustments to the price, quantity or account designation with respect to a particular commodity interest transaction, if such action is warranted under the circumstances and permissible under Exchange rules. In other instances, it might be necessary for an executing broker to move the position resulting from the error into Centurion's error account and to effect a replacement transaction for the customer(s).

When errors are made by Centurion personnel that involve: (a) execution of a trade for a non-permissible product (see paragraph M. below); or (b) a trader exceeds his assigned stop loss limit, the matter must be brought to the immediate attention of the Compliance Officer, who, after reviewing the circumstances of the error, must approve and implement appropriate corrective action.

2. Adjustments

Centurion must document and retain a record of all adjustments made to orders. The documentation must include the following:

(a) the date the adjustment was received;

(b) the name of the executing broker making the adjustment;

(c) the account to which the adjustment was credited;

(d) the amount of the adjustment;

(e) a copy of the order for which the adjustment was made; and

(f) the reason justifying the adjustment.

D. Electronic Order Routing and Trading Systems

Centurion traders may utilize a variety of electronic order routing systems to access the various Exchange electronic order execution systems (all such order routing systems and Exchange trading systems are referred to herein, collectively, as "**electronic trading systems**"). In general, only employees who are "authorized terminal operators" may enter orders into an electronic trading system.

E. Confidentiality

Subject to the specific Exchange rules governing block trades and pre-execution discussions, Centurion may not disclose any orders to any other person, with the exception of executing broker personnel and any other individuals to whom the order must be disclosed solely for purposes of transmitting or facilitating the execution of the order.

F. Order Allocation ("Bunched" Orders)

At this time, Centurion does not anticipate that its traders will enter "bunched" orders on behalf of multiple Funds or Accounts. In the event that Centurion determines to permit its traders to bunch orders in this manner, the Compliance Officer will review the intended manner of allocating such bunched orders to ensure that the manner of allocation is fair and equitable to the Funds and Accounts involved.

G. Pre-Execution Discussions and Cross Trades

The general rule is that transactions in exchange traded futures must be effected through competitive "open-outcry" and that privately negotiated transactions are prohibited. There are, however, limited exceptions for cross trades effected pursuant to Exchange rules. Exchange rules with respect to cross trades (*i.e.*, transactions effected on the Exchange between accounts of two different principals involving pre-execution communications and negotiation between the principals) differ from Exchange to Exchange. Accordingly, before entering into such transactions Centurion personnel must contact the Compliance Officer to determine whether such transactions are permissible under such Exchange's rules and, if so, what procedures Centurion is required to follow.

H. Prohibitions on "Trading Ahead" and Disclosure of Customer Orders and Positions

The Rules require that customer orders are given priority with respect to execution over orders for proprietary accounts, which include accounts carried in the name of Centurion and directors, officers or employees of Centurion or their family members. In furtherance of the foregoing, traders are prohibited from discussing any unexecuted orders or trading strategies with any person except other Centurion personnel.

I. Wash Trading

The Rules strictly prohibit the execution of "wash trades." In general, a wash trade involves a purchase and sale of the same futures contract for the same beneficial owner (or

between two accounts under common trading control) at or about the same time for approximately the same price with the intent to avoid market risk or a bona fide market position. This prohibition is premised on maintaining the integrity of the marketplace by preventing the use of the market for "fictitious" trading, which results in no market risk or change in beneficial ownership. Therefore, the fact that a wash trade may not result in an injury to customers, or even that it may have a business purpose that seems legitimate (*e.g.*, re-establishing an existing long position to reduce the likelihood that the holder will be required to take delivery), is irrelevant to the finding of a violation.

J. Prearranged Transactions

The Rules prohibit any person from negotiating the material terms of any futures transaction outside of the trading pit (with the exception of certain EFP, EFS or EFR transactions or back-office transfers and certain types of cross trades and block trades). As with the "wash trading" restrictions, this limitation is designed to promote the integrity of the marketplace and is not intended solely as a customer protection mechanism. It therefore is applicable to both customer and proprietary trading.

Centurion, therefore, must guard against utilizing any trading technique that gives the appearance of submitting trades to the open market while negating the risk or price competition incident to such a market. Any commitment with respect to price and quantity that is reached outside of the pit likely will constitute a violation of the rule against prearranged transactions. Accordingly, a trader for a Fund/Account may not agree with a Centurion trader for another Fund/Account or such trader's personal trading account, regarding the price or quantity of a transaction, prior to announcement of an order by open outcry on the floor of the Exchange or by submitting such order to an electronic trading system, or agree that such trader will commit to take the opposite side of a transaction, except as may be provided in the block trade, cross trade, EFP, EFS or EFR rules of certain Exchanges.

Questions with respect to the foregoing practices should be directed to the Compliance Officer.

K. Exchanges of Futures for Physicals, Exchanges of Futures for Swaps and Exchange of Futures for Risk/Over-the-Counter Derivatives

One significant exception to the prearranged trading prohibition set forth in Section XIV.J. of this Manual involves the execution of so-called exchange of futures for physicals ("**EFP**"), or exchange of futures for swaps ("**EFS**"), or exchange of futures for risk/over-the-counter derivatives ("**EFR**") transactions. EFP, EFS and EFR transactions possess three essential elements: (1) an integrally related cash market/swap/derivatives transaction and futures transaction whose price and other terms are privately negotiated by the parties rather than on the Exchange floor; (2) a transfer of ownership of the cash market position (*e.g.*, delivery of a basket of stocks highly correlated to the index underlying a stock index futures contract) or swap or instrument upon performance of the terms of the cash contract, swap contract or derivatives contract, with delivery to take place within a reasonable period of time in accordance with prevailing market practice; and (3) separate parties—that is, the accounts involved in the transaction must have different beneficial ownership. Because EFPs, EFSs and EFRs are an

exception from the general rule requiring competitive execution of futures contracts on the Exchange floor, proper documentation of both the cash market/swap/derivatives and futures components is critically important so as to avoid the CFTC or Exchange recharacterizing the transaction as an illegal off-exchange futures contract. In contrast to other types of futures transactions, it is permissible for the parties to an EFP, EFS or EFR to agree to the terms of the transaction prior to execution of the off-exchange transaction. The critical element of each EFP, EFS and EFR is that the futures transaction must be completed in conjunction with an actual purchase and sale in the related cash market. EFPs, EFSs and EFRs on options contracts are generally not permitted.

Moreover, the CFTC and the Exchanges require parties to an EFP, EFS or EFR to produce and retain documentation reflecting the cash market, swap or derivative transaction, as applicable. The Compliance Officer will determine on a case-by-case basis the information needed, if any, to document the cash market transaction.

A "transitory" EFP is an EFP where the parties immediately offset the cash transaction. Transitory EFPs are generally conducted only in the FX market because of the simultaneous nature of FX cash transactions, and in the gold and silver market under limited circumstances (*e.g.*, not during trading hours for the relevant futures contract on COMEX). Traders should be aware that transitory EFPs, EFSs and EFRs are prohibited in most other commodities. As such, please contact the Compliance Officer for more information regarding the propriety of transitory EFPs, EFSs and EFRs in any particular commodity.

The Compliance Officer will periodically review documentation and reports to monitor compliance with the foregoing policies and procedures.

L. Foreign Futures Transactions

Futures and options contracts on broad-based stock indices traded on non-U.S. Exchanges, and futures on foreign government securities must be approved by the CFTC and SEC, respectively, before being offered or sold to, or purchased by U.S. persons. Before placing an order for such a contract, the trader should check with the Compliance Officer to determine whether that specific contract has been so approved. Substantial restrictions exist on the offer and sale of futures contracts on narrow-based stock indices or single-stock futures listed on non-U.S. Exchanges to U.S. persons. Such products may not be traded on behalf of a U.S. Fund or Account of a U.S. client without the approval of the Compliance Officer, upon a determination that such Fund or client qualifies as a "qualified institutional buyer" under Rule 144A issued under the Securities Act of 1933. All Advisory Agreements must specifically authorize trading in foreign futures if such products will be traded.

M. Block Trades

Block trades are typically large transactions among sophisticated market participants that are privately negotiated and executed outside the public auction market. In general, CFTC Rule 1.38 prohibits all transactions which are deemed to be executed in a non-competitive manner, including cross trades and block trades. However certain "non-competitively" executed trades, including blocks between different principals, are permitted when executed in accordance

with rules of the relevant Exchange (trades between accounts of the same principal are never permitted). Traders must consult with the Compliance Officer prior to negotiating or entering into any block transactions.

N. Intermarket Frontrunning Involving Security Futures or Broad-Based Stock Index Futures

The execution of a transaction described below for any account in which the Firm has an interest, an employee's personal trading account or any account over which the Firm exercises control in order to take advantage of material non-public information in a related market that can reasonably be expected to have an immediate favorable impact on such transaction may constitute intermarket frontrunning in violation of Exchange rules. Depending upon the circumstances, the following practices may constitute intermarket frontrunning:

1. A transaction in any security futures contract, stock index futures contract or option on such futures contract when the Firm has acquired knowledge of the imminent execution of one or more persons' related stock program transaction(s).

2. Stock program transactions, when the Firm has acquired knowledge of the imminent execution of one or more persons' order(s) in related security futures contracts, stock index futures contracts or options on such futures contracts.

3. A transaction in any stock index option, when the Firm has acquired knowledge of the imminent execution of one or more persons' order(s) in related security futures contracts, stock index futures contracts or options on such futures contracts.

In determining whether a violation has occurred, it is not necessary that another person was disadvantaged. A violation may also occur regardless of whether the other person has given permission for such trading and may share in a portion of the profits.

Any transaction which could arguably constitute intermarket frontrunning should be avoided. Should a question exist concerning the appropriateness of a proposed transaction, it should be discussed in advance with **[the Compliance Officer]**.

XV. COMPLIANCE

A. Trading Review

1. General

The purpose of reviewing trades is to ensure that all trading activity is in compliance with Centurion's policies, as well as with the requirements of Centurion's regulatory and self-regulatory authorities. Early detection of problems in this area can minimize risk to both Centurion and its customers. In addition to the various other reports and records reviewed by the Compliance Officer as set forth elsewhere in this Manual, all trading activity conducted on behalf of a Fund or Account will be reviewed according to the following procedures.

2. Periodic Reviews

The Compliance Officer or his or her designee must review all commodity transactions for the Accounts managed by Centurion on a periodic basis to ensure that all trading activity is consistent with a client's objectives and needs. The Compliance Officer also is required to conduct a periodic review of all errors, margin calls, complaints, etc.

The review should be performed to determine the following:

(i) whether trading activity is consistent with the client's objectives, needs and financial circumstances;

(ii) whether any account or group of accounts is maintaining an unduly large position in any contract:

(iii) whether all accounts of Centurion are being traded consistently, and if not, the reason for such disparity;

The Compliance Officer must review all incoming correspondence on a periodic basis for client complaints.

3. Written Records

A written record must be prepared and kept on file of any inquiries regarding questionable trading activity as well as any action taken in relation thereto. Any such inquiries must immediately be reported to the Compliance Officer.

B. Large Trader and Speculative Position Limits Review

1. Large Trader Reporting

Under CFTC regulations, Centurion may be required to file reports upon the request of the CFTC whenever the accounts owned or controlled by Centurion hold futures positions above certain levels established under CFTC regulations and Exchange rules. In particular, all accounts owned or controlled by Centurion must be aggregated for purposes of determining whether Centurion holds a reportable position. In such event, the CFTC generally will request that Centurion file a Form 40 (Statement of Reporting Trader) with the CFTC.

2. Speculative Position Limits

The CFTC and the Exchanges have established "speculative position limits" for certain futures contracts which represent the maximum number of contracts that may be held by a speculator. Accounts under common ownership or control must be aggregated for this purpose as well. If Centurion is engaging in bona fide hedging activity with respect to any commodity interest, Centurion (or its executing broker on behalf of Centurion) may avoid the speculative position limits by filing an application for a hedge exemption with the appropriate Exchange and/or CFTC and receiving approval of such application. Any such hedge exemption application

must first be approved by the Compliance Officer. Centurion may not trade in excess of speculative position limits without the approval of the relevant Exchange and/or CFTC.

Centurion is also subject to the foregoing reporting requirements and position limits with respect to its proprietary accounts. In addition, accounts of affiliated entities may be required to be aggregated with those of Centurion if they are under common control. The Compliance Officer or his or her designee will be responsible for determining whether proprietary accounts are required to be aggregated.

The Compliance Officer or his or her designee will be responsible for reviewing all customer and proprietary positions carried by Centurion in accounts reported under common ownership or control on Centurion's books, in order to monitor compliance with the foregoing reporting and position limit requirements.

C. Loans or Advances

The Firm shall not make any direct or indirect loans or advances of CPO or CTA assets to the Firm, its employees, or any other affiliated person or entity. No Firm employee or affiliated person shall accept a direct or indirect loan or advance of pool or advisor assets. Any employee who becomes aware of a violation of this policy must immediately report the violation to **[the Compliance Officer]**.

XVI. MISCELLANEOUS

A. Reductions or Waivers of Fees, Minimum Investment Requirements, or Notice Periods for Redemptions.

No request for a reduction or waiver of certain fees, minimum investment requirements, or notice periods for redemptions may be granted without the approval of a Manager of Centurion.

B. Ethics Training

Centurion personnel are required to be aware, and remain abreast, of their continuing ethical obligations to the public. In order to maintain the highest ethical standards, and in compliance with applicable CFTC regulations, Centurion has adopted an "Ethics Training Compliance Policy" as set forth in **Attachment F** to this Manual.

C. Distribution of Centurion CPO/CTA Compliance and Supervisory Procedures Manual

The Compliance Officer or his or her designee will distribute copies of this Manual, and subsequent updates, to all of Centurion's personnel. All personnel will be required to submit a paper certificate or an e-mail certification, upon their initial receipt of this Manual and no less frequently than annually thereafter, to the effect that they have read and understand this Manual, in the form set forth on page viii of this Manual. All personnel shall be specifically instructed to inform the Compliance Officer or his or her designee of any violations of the procedures set forth

herein of which they may become aware or if they have any reason to believe that Centurion may not be in compliance with any of the provisions hereof.

D. Contacts with Regulators Generally Prohibited

No Centurion personnel may initiate any oral or written communication with any futures regulatory authority (*i.e.*, the CFTC) or futures self-regulatory authority (*i.e.*, NFA), or respond to any oral or written communication initiated by any futures regulatory authority or futures self-regulatory authority, regarding Centurion's business activities without the prior approval of the Compliance Officer. This policy is not, of course, meant to prohibit any such contacts that are required by applicable law or regulation.

E. Custody of Fund or Account Assets

The securities, futures and all other positions held for each Fund or Account must be segregated and accounted for separately. All assets of each Fund/Account must be deposited in one or more bank or brokerage accounts opened exclusively in the name of the depositing Fund/Account (including, where applicable, in the name of a particular "segregated portfolio" or "series" of a Fund).

F. Centurion Privacy Policy

It is Centurion's policy to protect non-public personal information of individual investors. Accordingly, all Centurion personnel must comply with the Privacy Policy of Centurion set forth in **Attachment G** hereto.

G. Self-Examination Checklist to be Completed Annually

Once a year, the Compliance Officer or his or her designee shall complete the NFA Commodity Trading Advisor and Commodity Pool Operator Self-Examination Checklist (**Attachment D**) on behalf of Centurion. The completed Checklist shall be appropriately initialed and maintained in the Centurion compliance file.

H. Business Continuity and Disaster Recovery Plan

Pursuant to NFA Rule 2-38, Centurion must establish and maintain a written business continuity and disaster recovery plan that outlines procedures to be followed in the event of an emergency or significant business disruption. The plan must be reasonably designed to enable Centurion to continue operating, to re-establish operations, or to transfer its business to another CPO/CTA with minimal disruption to its customers, other NFA members, and the Exchanges.

Centurion must provide NFA with the name of and contact information for two individuals whom NFA can contact in the event of an emergency, and Centurion must update that information upon request. These individuals must be authorized to make key decisions in the event of an emergency.

Centurion's Business Continuity and Disaster Recovery Plan (the "**Plan**") addresses the following:

- establishing back-up facilities, systems, and personnel that are located in one or more reasonably separate geographic areas from Centurion's primary facilities, systems, and personnel (*e.g.*, primary and back-up facilities should be located in different power grids and different telecommunication vendors should be used), which may include arrangements for the temporary use of facilities, systems, and personnel provided by third-parties;

- backing up or copying essential documents and data (*e.g.*, general ledger) on a periodic basis and storing the information off-site in either hard-copy or electronic format;

- considering the impact of business interruptions encountered by third-parties and identifying ways to minimize that impact; and

- developing a communication plan to contact essential parties such as employees, customers, carrying brokers, vendors and disaster recovery specialists.

Centurion must update its Plan as necessary to respond to material changes in its operations. The Compliance Officer will also periodically conduct and evidence reasonable reviews designed to assess the Plan's effectiveness.

The Compliance Officer will be responsible for distributing and explaining the Plan to Centurion's key employees and communicating the essential components of the plan to all employees. Centurion will also maintain copies of the Plan at one or more off-site locations that are readily accessible to key employees.

ATTACHMENTS

ATTACHMENT A

NFA COMPLIANCE RULE 2-29: COMMUNICATIONS WITH THE PUBLIC AND PROMOTIONAL MATERIAL
(Board of Directors, effective November 19, 1985; revised July 24, 2000)

INTERPRETIVE NOTICE

I. Introduction

Section 17(p)(3) of the Commodity Exchange Act (7 U.S.C. §21(p)(3)) requires that the rules of a registered futures association such as NFA "establish minimum standards governing the sales practices of its members and persons associated therewith. . . ." NFA has established such minimum standards in the form of its Compliance Rules which, among other things, generally prohibit fraud and deceit and require Members and Associates to "observe high standards of commercial honor and just and equitable principles of trade in the conduct of their commodity futures business." Although these rules supply the required minimum standard, they are general in nature and may not always provide specific guidance as to what particular conduct may be prohibited. It is expected that more detailed content will be given to those general rules through the work of NFA's Business Conduct Committees, which will issue decisions in disciplinary cases applying the rules to specific conduct. It is also expected that NFA's Advisory Committees, through study and recommendation of rule changes, will further the development of uniform industry-wide sales practice standards.

NFA's Board of Directors has adopted and the CFTC has approved a new Compliance Rule 2-29, which was proposed to the Board by the FCM Advisory Committee ("The Committee"). The Committee published a notice for public comment on its proposed rule on February 21, 1985, and considered the comments received in drafting the final rule.

II. The Contemplated Relationship of Rule 2-29 With Other NFA Rules

Rule 2-29 deals specifically with communication with the public and promotional material prepared and used in the conduct of a Member's or Associate's futures business. However, Member and Associate conduct in that area, as in all others related to futures, is, and under the new rule continues to be, subject to all other NFA requirements. For example, certain other NFA Rules deal specifically with communications with the public and promotional materials in a narrower context. Compliance Rule 2-13, which incorporates CFTC Rule 4.41, regulates the advertising of Commodity Pool Operators ("CPOs") and Commodity Trading Advisors ("CTAs"). In addition, all Member and Associate conduct, including communications with the public, is subject to the requirements of Compliance Rule 2-2 (Fraud and Related Matters) and Compliance Rule 2-4 (Just and Equitable Principles of Trade).

The new Rule is not intended to supplant those or any other NFA Requirements but rather to augment them. Hence, literal compliance with Rule 2-29 will not be a "safe harbor" from NFA disciplinary action if the Member or Associate violates any other NFA Requirement.

III. The Scope of Rule 2-29

Rule 2-29 is intended to apply to all forms of communication with the public by a Member or Associate without exception if the communication relates in any way to solicitation of an

account, agreement or transaction in the conduct of the Member's or Associate's business in futures as the term "futures" is now or may be defined.[1]

However, in drafting the Rule the Committee recognized that some specific standards which would be appropriate for communications prepared in advance of delivery to the public might be unenforceable and even inappropriate in the context of routine day-to-day contact with customers. The Committee was concerned that the free flow of information and advice to customers might be impeded to their detriment if spontaneous communication were subjected to rigorous and detailed content standards.

To address this problem, the final Rule distinguishes routine day-to-day communications with customers and applies a different regulatory standard to such communications. This is accomplished by providing a definition of "promotional material" to identify the kinds of communications with the public which will be subject to specific content standards and other requirements beyond those provided in Section (a) General Prohibition. Therefore, the definition of promotional material (which is a broadened version of the definition of that term in the CFTC's option pilot program rules) is intended to include all kinds of promotional communications with the public, other than routine day-to-day contact with customers. It includes, for example, any kind of written, electronic or mechanically reproduced message or presentation which is directed to any member of the public, whether broadcast over the media, delivered through the mail or presented personally. It also includes any oral presentations or statements to customers or prospective customers, whether delivered over the telephone or in person, the substance of which is outlined or scripted in advance for delivery to such persons.

IV. Section-by-Section Analysis

Section (a) General Prohibition

This Section provides the general rule governing all communications with the public and is the only portion of the Rule applicable to routine day-to-day communication with customers. That means that routine customer contact would not run afoul of Rule 2-29 as long as it is not fraudulent or deceitful, is not high-pressure in nature and does not contain any statement that futures trading is appropriate for all persons. NFA believes that the general prohibition should not hamper free and open communication with individual customers on a day-to-day basis. In that regard, it is expected that Business Conduct Committees would not find such

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[1] Article XVIII(k) of NFA's Articles of Incorporation defines futures to include "options contracts traded on a contract market, and such other commodity-related instruments as the Board may from time to time declare by Bylaw to be properly the subject of NFA regulation and oversight." Currently, the only NFA Bylaw expanding that definition is Bylaw 1507, which states that " 'futures' as used in these Bylaws shall include option contracts granted by a person that has registered with the Commission under Section 4c(d) of the Act as a grantor of such option contracts or has notified the Commission under the Commission's rules that it is qualified to grant such option contracts." Bylaw 1507 has since been amended to include foreign futures and options contracts and leverage transactions.

communications to operate as a fraud or deceit in the absence of evidence of such intent or recklessness on the part of the Member or Associate.[2]

Section (b) Content of Promotional Material

This Section sets out the specific prohibitions and requirements applicable to promotional material, as defined. Subsection (1) bans material likely to deceive the public. Proof of violation of this provision does not require proof of a specific intent to deceive. This Subsection instead places the burden on the Member to determine whether the material is likely to be deceptive in effect. Of course, to find a violation of this Subsection a Business Conduct Committee would have to find that the Member or Associate reasonably should have been able to determine that the material was likely to deceive. The fact that someone was actually deceived would not by itself be enough.

Subsection (2) deals with facts only. It requires that the facts which a Member or Associate chooses to include must be true and that no facts knowingly be left out which are necessary to make the facts stated not misleading. With that exception, this Subsection does not require the disclosure of facts. As with Subsection (1), a negligence standard would be applied in finding violations of Subsection (2) for making material misstatements of fact in promotional material. However, because evaluating omissions is a much more difficult task, this Subsection applies only to knowing omissions (*i.e.*, instances where the person preparing or reviewing the promotional material knew the omitted fact and failed to include it). This knowledge requirement may complicate the proof necessary to establish a violation of this Subsection. However, knowledge can be inferred from a pattern of failures to include a material fact, the omission of which makes the promotional material misleading. Once knowledge is established, the decision whether the failure to include a fact makes the promotional material misleading in violation of Rule 2-29 will be made by a Business Conduct Committee under a standard of reasonableness.

Subsection (3) requires a statement of risk to "balance" any discussion of the possibility of profit. The requirement that the statement of risk have equal prominence is not intended to mean that the reference to risk must be as long as the discussion of the possibility of profit or indeed to impose any unbending measure of prominence. It is intended to mean only that in the context of the particular promotional material the reference to risk of loss must not be downplayed or hidden.

Subsection (4) requires the Member or Associate to make a statement in the promotional material concerning the predictive value of past results if reference is made in the material to past trading results.

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[2] However, it must be noted that much, if not all, of the benefits to customers of the disclosures and cautionary statements required to be included in promotional material by other sections of Rule 2-29 and other disclosure statements required by CFTC and NFA Rules (*e.g.*, the risk disclosure statements required by CFTC Rule 1.55 and NFA Compliance Rule 2-27) can be intentionally diminished in the course of oral communications with customers. To avoid that result, it is expected that Business Conduct Committees will presume intentional or reckless deceit in instances where a Member or Associate specifically contradicts or downplays any disclosure statement required to be made by CFTC or NFA rules.

Subsection (5) does not require disclosure of past performance of managed accounts.[3] It does require that if performance information is given, it must be representative of the actual performance for the same time period of all reasonably comparable accounts. Hence, under Subsection (5) a Member could not advertise the performance of a "model" account unless that performance is representative of all reasonably comparable accounts.[4] Subsection (5) also makes explicit in this context the Members' existing responsibility to be able to demonstrate that performance information is accurate and representative.

The use of performance information in promotional material is, of course, subject to all of the content standards of Rule 2-29, and compliance with Subsection (b)(5) will not excuse violations of other Subsections. If in presenting performance information for an account or group of accounts, a Member omits facts about those accounts or the differences between those accounts and the account being promoted, and the omission makes the material misleading, the use of the material violates Subsection (b)(2) even though the performance information given is accurate and is representative of all reasonably comparable accounts in compliance with (b)(5). This interaction of the requirements of Subsections (b)(2) and (b)(5) will come into play whenever a Member chooses to present performance information about an account or program which differs materially from the account or program being promoted; for example, where performance information about a house account is used, or where trading control or strategies, commission rates or account sizes which applied in the account or program for which performance is being shown differ from those which will apply in the account or program for which the customer is being solicited. Under the Rule, a Member is free to use as a sales tool performance information about accounts which differ from the accounts being promoted, but must take care to ensure first, that the performance information complies with Subsection (b)(5), and second, that the differences are explained to the extent necessary to make the promotional material not misleading.

Finally, Subsection (5) requires that the rate of return must not be calculated in a manner inconsistent with that required under the CFTC's Part 4 Rules, which define rate of return as the ratio between net performance and beginning net asset value for the period. This is not intended to require that the precise Part 4 formula be used in all cases but rather to prohibit the use of methods which lead to rates of return which are materially higher than those produced by the Part 4 method.

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[3] CPOs and CTAs are, however, subject to such a requirement through the CFTC's Part 4 Rules.

[4] The Committee expects that a Member or Associate could exclude from "reasonably comparable accounts" those that were actually traded pursuant to a different trading strategy or those that were traded independently of the accounts in the program for which performance is cited. With respect to the question of independence the indicia of independence listed in the CFTC's statement of policy concerning when accounts should be aggregated for position limit purposes would be useful guides for Members, Associates and Business Conduct Committees. *Statement of Aggregation Policy* (1977-80 Transfer Binder) Comm. Fut. L. Rep. (CCH) 20.837 (June 13, 1979); 44 *Fed. Reg.* 33839.

Section (e) Written Supervisory Procedures

In recognition of the fact that promotional material may be prepared by many individuals within a Member's organization, this Section requires that promotional material be reviewed and approved by someone in a supervisory position before it is used. It should be emphasized, however, that even communications with the public which do not fall within the definition of promotional material must be diligently supervised under other existing NFA and CFTC rules.

Section (f) Recordkeeping

This Section is intended to provide a way in which NFA can conduct meaningful sales practice audits which will reveal both the content of promotional material and whether the supervisory procedures required under Section (e) are being carried out. In addition, this Section contains a requirement that Members who use hypothetical performance results be prepared to demonstrate to NFA's satisfaction the basis for such results. This means that Members must maintain the records necessary to document how the hypothetical results were calculated.

[NOTE: This requirement was extended to all performance results effective July 24, 2000.]

Section (g) Filing with NFA

This Section is intended to allow NFA to maintain close review of promotional material in circumstances where special scrutiny is warranted.

[NOTE: This interpretive notice was amended effective July 24, 2000 to conform it to subsequent changes in NFA rules. In particular, the amendments eliminate the discussion of hypothetical results and update section references within Compliance Rule 2-29 based on changes to Compliance Rule 2-29's treatment of hypothetical results; eliminate references to options rules that are no longer in effect; and make other technical amendments to correspond to subsequent changes to other NFA rules. Furthermore, adjudicated disciplinary decisions are now issued by NFA Hearing Panels rather than Business Conduct Committees. Therefore, all references to Business Conduct Committees, while not changed in the notice, now refer to Hearing Panels. In all other respects, this interpretive notice remains an interpretation adopted by the Board of Directors contemporaneously with the adoption of NFA Compliance Rule 2-29.]

ATTACHMENT B

NFA COMPLIANCE RULE 2-29: USE OF PROMOTIONAL MATERIAL CONTAINING HYPOTHETICAL PERFORMANCE RESULTS
(Board of Directors, February 1, 1996; revised August 29, 1996.)

INTERPRETIVE NOTICE

Over the years the use of hypothetical performance results has repeatedly produced highly misleading promotional material. By their very nature, such performance results have certain limitations. For example, hypothetical performance results do not represent actual trading and are generally designed with the benefit of hindsight which may under- or over-compensate for the impact of certain market factors, including lack of liquidity and price slippage. Furthermore, since hypothetical trading does not involve financial risk, no hypothetical performance results can completely account for the impact of certain factors associated with risk, including the ability of the customer or the advisor to withstand losses or to adhere to a particular trading program in the face of trading losses. Despite these limitations, there have been numerous instances in which Members in one form or another have attempted to induce customers to place undue reliance on hypothetical results. NFA's Business Conduct Committee has not hesitated to issue charges against Members engaging in such practices and will continue to pay close attention to advertising materials which display hypothetical results.

The use of hypothetical results has been the subject of regulatory scrutiny before. In 1981, the Commodity Futures Trading Commission ("CFTC" or "Commission") considered a total ban on the use of such results. Ultimately, the Commission determined to require CPOs and CTAs displaying hypothetical results to display the disclaimer set forth in CFTC Regulation 4.41. The Commission noted at the time that it might well impose sterner measures if the disclaimer proved ineffective at preventing abuses. NFA subsequently required all NFA Members and Associates to display Regulation 4.41's disclaimer in any promotional material which contains such results.

In NFA's experience, however, the use of the mandated disclaimer has not prevented recurring abuses in the presentation of hypothetical results. In some instances, Members have touted dramatic hypothetical profits without revealing that their actual performance is much worse. This situation has been addressed by an amendment to NFA Compliance Rule 2-29(c)(2) which requires Members advertising hypothetical results to disclose their actual results as well. In other cases, Members have effectively diminished the impact of the disclaimer by grossly over-emphasizing the significance of very dramatic hypothetical profits. For example, some Members have utilized promotional material which presents hypothetical rates of return in large, bold face print while the disclaimer can be read only with a magnifying glass. In other advertising pieces, the disclaimer is so far removed from the touted hypothetical profits that customers may never find it. There have also been instances in which Members or Associates have attempted to disguise hypothetical performance results as actual performance results.

Due to these problems, NFA's Board of Directors recently reviewed whether NFA Members and Associates should be permitted to utilize hypothetical performance results in promotional material. During this review, the Board considered a complete ban on the presentation of these results in promotional material due to its potentially abusive and misleading nature. However, in considering such a ban, the Board also recognized that the presentation of hypothetical performance results in promotional material may have some limited utility in certain

circumstances; for example, where a Member has developed a new trading program for which there are no actual trading results. As a result, the Board decided to continue to allow Members and Associates to utilize promotional material containing hypothetical performance results under very stringent restrictions. Hypothetical results will not be allowed, however, for any trading program for which the Member has three months of actual trading results. Any Member or Associate utilizing promotional material which includes hypothetical results shall, at a minimum, adhere to the following requirements.

First, any Member or Associate utilizing promotional material which presents hypothetical performance results must provide to customers the disclaimer contained in NFA Compliance Rule 2-29(c)(1). The Board has expanded the required disclaimer to provide a more thorough discussion of the limitations of hypothetical results and of the dangers in placing undue reliance upon them. To prevent the over-emphasis of hypothetical performance results, the disclaimer must be displayed as prominently as the hypothetical results themselves. Generally, this would require that the disclaimer be printed in a type size at least as large as that used for the hypothetical results. Similarly, to avoid circumstances where hypothetical performance results are presented in one section of the promotional material with the disclaimer buried in another, the disclaimer must now immediately precede or follow the performance results. Whenever the Member or Associate has less than 12 months of actual results, the disclaimer must immediately precede the hypothetical performance results. Furthermore, if the promotional material contains several pages of hypothetical performance results, then the Member or Associate may need to include this disclaimer more than once in the material.

Second, any Member or Associate utilizing promotional material which presents hypothetical performance results must also describe in the promotional material all of the material assumptions that were made in preparing the hypothetical results. At a minimum, the description of material assumptions must cover points such as initial investment amount, reinvestment or distribution of profits, commission charges, management and incentive fees, and the method used to determine purchase or sale prices for each trade. Members must also make all material disclosures necessary to place the hypothetical results in their proper context, which in some instances may go well beyond the prescribed disclaimer. Furthermore, Members and Associates must calculate hypothetical performance results in a manner consistent with that required under the CFTC's Part 4 Regulations.

Third, when any Member or Associate utilizes promotional material which contains both hypothetical and actual performance results, then the actual results must be presented with at least the same prominence devoted to the hypothetical results. Both the hypothetical and actual performance results must be appropriately identified, separately formatted, discussed in an equally balanced manner and calculated pursuant to the same rate of return method. Furthermore, the promotional material must not contain any statement which places undue emphasis on the hypothetical performance results, for example, by discounting or downplaying the significance of any actual performance results.

NFA's Board of Directors further notes that, as explained above, the preceding requirements also apply to a Member or Associate's use of promotional material containing a composite performance record showing what a multi-advisor managed account or pool could have achieved if the account's or pool's assets had been allocated among particular trading advisors. In the past,

Members have often referred to these composite performance records as *pro forma* results; however, NFA's Board of Directors believes the *pro forma* label is misleading. Although the performance for each individual trading advisor is based upon actual results, the selection of and allocation among trading advisors has been done with the benefit of hindsight and, thus, the composite performance record is hypothetical in nature. Therefore, in addition to the preceding requirements, Members and Associates must appropriately label any composite performance record for a multi-advisor managed account or pool as hypothetical and not *pro forma*. Additionally, because the composite performance record is hypothetical in nature, Members must include a description of all the material assumptions noted above and, in this context, also describe the method used to select and allocate assets among particular trading advisors. The Board also notes that if a Member or Associate previously used promotional material containing hypothetical composite performance records for multi-advisor managed accounts or pools and the hypothetical results were substantially higher than the actual results subsequently obtained by the Member or Associate in allocating assets among the multi-advisors, then this fact must be disclosed in the promotional material.

The presentation of hypothetical performance results in promotional material is, of course, subject to all other NFA Requirements. Pursuant to NFA Compliance Rule 2-29(b)(1) and (2), the ultimate test of any promotional material is whether the overall impact of the material is misleading or is likely to deceive the public. Although NFA has issued this Interpretive Notice, the Board recognizes that it cannot describe every manner in which promotional material containing hypothetical performance results may be misleading. The fact that an NFA Member or Associate has printed the disclaimer required pursuant to NFA Compliance Rule 2-29 and that the promotional material is in facial compliance with this Interpretive Notice does not ensure that material is not misleading.

Promotional material which contains hypothetical performance results will continue to be carefully scrutinized by NFA staff. Pursuant to NFA Compliance Rule 2-29(f), Members and Associates presenting hypothetical results in their promotional material must be able to demonstrate to NFA's satisfaction the validity of the presentation of the results. The greater the emphasis on dramatic hypothetical profits, the greater the Member's burden in demonstrating the validity of the presentation.

Addressing a different concern, the Board of Directors also believes that hindsight analysis may be misleading as applied to the presentation of extracted performance in which a Member or Associate selects one component of its overall past trading results to highlight to customers. In order to prevent the misleading use of such results, the use of extracted performance is permitted only when a CPO's or CTA's previous disclosure documents designated the percentage of assets which would be committed toward that particular component of the overall trading program. For example, if the previous disclosure document stated that 25 percent of a fund's assets would be dedicated to trading financial futures contracts, and if 25 percent of the fund's assets were in fact dedicated to trading financial futures contracts, the CPO would be allowed to present the extracted performance of its financial futures trading based on net asset values equal to 25 percent of the fund's total net asset value. Performance may also be extracted from a managed account program run by an FCM or IB if these same requirements are met. In other words, the FCM or IB must have previously prepared and distributed to all customers participating in the trading program a written report or similar document which designated the

percentage of assets which would be committed toward that particular component of the overall trading program. Oral representations, or written documents which were not distributed to the customers, are not sufficient. Furthermore, any promotional material referring to extracted results must clearly label those results as such and must disclose in an equally prominent fashion the overall actual trading results from which the extracted results were drawn.

Lastly, the Board of Directors believes that the use of *pro forma* performance histories can present useful information to customers, particularly when used to show how the past performance of a given Member or Associate would have been affected by the commission or fee structure which applies to the futures or options contracts, commodity pool, or trading program the Member or Associate is offering, recommending, or providing information on. Therefore, a Member or Associate may use *pro forma* results to adjust for differences in commissions and fees as long as the *pro forma* results are not calculated in a misleading manner.

ATTACHMENT C

RULE 2-29. COMMUNICATIONS WITH THE PUBLIC AND PROMOTIONAL MATERIAL.

(a) General Prohibition.

No Member or Associate shall make any communication with the public which:

(1) operates as a fraud or deceit;

(2) employs or is part of a high-pressure approach; or

(3) makes any statement that futures trading is appropriate for all persons.

(b) Content of Promotional Material.

No Member or Associate shall use any promotional material which:

(1) is likely to deceive the public;

(2) contains any material misstatement of fact or which the Member or Associate knows omits a fact if the omission makes the promotional material misleading;

(3) mentions the possibility of profit unless accompanied by an equally prominent statement of the risk of loss;

(4) includes any reference to actual past trading profits without mentioning that past results are not necessarily indicative of future results;

(5) includes any specific numerical or statistical information about the past performance of any actual accounts (including rate of return):

(i) unless such information is and can be demonstrated to NFA to be representative of the actual performance for the same time period of all reasonably comparable accounts and,

(ii) in the case of rate of return figures, unless such figures are calculated in a manner consistent with CFTC Regulation 4.25(a)(7) for commodity pools and with CFTC Regulation 4.35(a)(6), as modified by NFA Compliance Rule 2-34(a), for figures based on separate accounts, or

(6) includes a testimonial that is not representative of all reasonably comparable accounts, does not prominently state that the testimonial is not indicative of future performance or success, and does not prominently state that it is a paid testimonial (if applicable).

(c) Hypothetical Results.

(1) Any Member or Associate who uses promotional material which includes a measurement or description of or makes any reference to hypothetical performance results which could have been achieved had a particular trading system of the Member or Associate been employed in the past must include in the promotional material the following disclaimer prescribed by NFA's Board of Directors:

> HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.
>
> ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

If a Member or Associate has either less than one year of experience in directing customer accounts or trading proprietary accounts, then the disclaimer must also contain the following statement:

> (THE MEMBER) HAS HAD LITTLE OR NO EXPERIENCE IN TRADING ACTUAL ACCOUNTS FOR ITSELF OR FOR CUSTOMERS. BECAUSE THERE ARE NO ACTUAL TRADING RESULTS TO COMPARE TO THE HYPOTHETICAL PERFORMANCE RESULTS, CUSTOMERS SHOULD BE PARTICULARLY WARY OF PLACING UNDUE RELIANCE ON THESE HYPOTHETICAL PERFORMANCE RESULTS.

(2) Any Member or Associate who uses promotional material which includes a measurement or description of or makes any reference to a hypothetical composite

performance record showing what a multi-advisor account portfolio or pool could have achieved in the past if assets had been allocated among particular trading advisors must include in the promotional material the following disclaimer prescribed by NFA's Board of Directors instead of the disclaimer prescribed by Section (c) (1) of this Rule:

> THIS COMPOSITE PERFORMANCE RECORD IS HYPOTHETICAL AND THESE TRADING ADVISORS HAVE NOT TRADED TOGETHER IN THE MANNER SHOWN IN THE COMPOSITE. HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY MULTI-ADVISOR MANAGED ACCOUNT OR POOL WILL OR IS LIKELY TO ACHIEVE A COMPOSITE PERFORMANCE RECORD SIMILAR TO THAT SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN A HYPOTHETICAL COMPOSITE PERFORMANCE RECORD AND THE ACTUAL RECORD SUBSEQUENTLY ACHIEVED.
>
> ONE OF THE LIMITATIONS OF A HYPOTHETICAL COMPOSITE PERFORMANCE RECORD IS THAT DECISIONS RELATING TO THE SELECTION OF TRADING ADVISORS AND THE ALLOCATION OF ASSETS AMONG THOSE TRADING ADVISORS WERE MADE WITH THE BENEFIT OF HINDSIGHT BASED UPON THE HISTORICAL RATES OF RETURN OF THE SELECTED TRADING ADVISORS. THEREFORE, COMPOSITE PERFORMANCE RECORDS INVARIABLY SHOW POSITIVE RATES OF RETURN. ANOTHER INHERENT LIMITATION ON THESE RESULTS IS THAT THE ALLOCATION DECISIONS REFLECTED IN THE PERFORMANCE RECORD WERE NOT MADE UNDER ACTUAL MARKET CONDITIONS AND, THEREFORE, CANNOT COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FURTHERMORE, THE COMPOSITE PERFORMANCE RECORD MAY BE DISTORTED BECAUSE THE ALLOCATION OF ASSETS CHANGES FROM TIME TO TIME AND THESE ADJUSTMENTS ARE NOT REFLECTED IN THE COMPOSITE.

If a Member or Associate has less than one year of experience allocating assets among particular trading advisors, then the disclaimer must also contain the following statement:

> (THE MEMBER) HAS HAD LITTLE OR NO EXPERIENCE ALLOCATING ASSETS AMONG PARTICULAR TRADING ADVISORS. BECAUSE THERE ARE NO ACTUAL ALLOCATIONS TO COMPARE TO THE PERFORMANCE RESULTS FROM THE HYPOTHETICAL ALLOCATION, CUSTOMERS SHOULD BE PARTICULARLY WARY OF PLACING UNDUE RELIANCE ON THESE RESULTS.

(3) Any Member or Associate who uses promotional material which includes a measurement or description of or makes any reference to hypothetical performance

results which could have been achieved had a particular trading system of the Member or Associate been employed in the past must include in the promotional material comparable information regarding:

(i) past performance results of all customer accounts directed by the Member pursuant to a power of attorney over at least the last five years or over the entire performance history if less than five years;

(ii) if the Member has less than one year of experience in directing customer accounts, past performance results of his proprietary trading over at least the last five years or over the entire performance history if less than five years.

(4) No Member or Associate may use promotional material which includes a measurement or description of or makes any reference to hypothetical performance results which could have been achieved had a particular trading system of the Member or Associate been employed in the past if the Member or Associate has three months of actual trading results for that system.

(5) Any Member or Associate utilizing promotional material containing hypothetical performance results must adhere to all the requirements contained in the Board's Interpretive Notice relating to this issue.

[See Interpretive Notice Compliance Rule 2-29: Use of Promotional Material Containing Hypothetical Performance Results.]

(6) These restrictions on the use of hypothetical trading results shall not apply to promotional material directed exclusively to persons who meet the standards of a "Qualified Eligible Person" under CFTC Regulation 4.7.

(d) Statements of Opinion.

Statements of opinion included in promotional material must be clearly identifiable as such and must have a reasonable basis in fact.

(e) Supervisory Requirements

Every Member shall adopt and enforce written procedures to supervise its Associates and employees for compliance with this Rule. Prior to its first use, all promotional material shall be reviewed and approved, in writing, by an officer, general partner, sole proprietor, branch office manager or other supervisory employee other than the individual who prepared such material (unless such material was prepared by the only individual qualified to review and approve such material). If the Member is registered as a broker-dealer under Section 15(b)(11) of the Exchange Act and the promotional material specifically refers to security futures products, the individual reviewing and approving the promotional material must be a designated security futures principal.

(f) Recordkeeping.

Copies of all promotional material along with a record of the review and approval required under paragraph (e) of this Rule and supporting materials for any results described under paragraphs (b)(5)-(6) or (c) of this Rule must be maintained by each Member and be available for examination for the periods specified in CFTC Regulation 1.31, measured from the date of the last use. Each Member who uses promotional material of the types described in paragraph (b)(5)-(6) or (c) of this Rule shall demonstrate the basis for any reported results to NFA upon request.

(g) Filing with NFA.

The Compliance Director may require any Member for any specified period to file copies of all promotional material with NFA promptly after its first use.

(h) Radio and Television Advertisements.

No Member shall use or directly benefit from any radio or television advertisement or any other audio or video advertisement distributed through media accessible by the public if the advertisement makes any specific trading recommendation or refers to or describes the extent of any profit obtained in the past that can be achieved in the future unless the Member submits the advertisement to NFA's Promotional Material Review Team for its review and approval at least 10 days prior to first use or such shorter period as NFA may allow in particular circumstances.

(i) Definitions.

(1) For purposes of this Rule "promotional material" includes: (i) Any text of a standardized oral presentation, or any communication for publication in any newspaper, magazine or similar medium, or for broadcast over television, radio, or other electronic medium, which is disseminated or directed to the public concerning a futures account, agreement or transaction; (ii) any standardized form of report, letter, circular, memorandum or publication which is disseminated or directed to the public; and (iii) any other written material disseminated or directed to the public for the purpose of soliciting a futures account, agreement or transaction.

(2) "Futures account, agreement or transaction" includes futures accounts and orders, commodity pool participations, agreements to direct or guide trading in futures accounts, and agreements and transactions involving the sale, through publications or otherwise, of non-personalized trading advice concerning futures.

(j) Security Futures Products

In addition to the other requirements of this Rule, Members registered as broker-dealers under Section 15(b)(11) of the Exchange Act and their Associates shall not use any promotional material that specifically refers to security futures products unless the promotional material:

(1) prominently identifies the Member;

(2) includes the date that the material was first used;

(3) provides contact information for obtaining a copy of the disclosure statement for security futures products;

(4) states that security futures products are not suitable for all customers;

(5) does not include any statement suggesting that security futures positions can be liquidated at any time;

(6) does not include any cautionary statement, caveat, or disclaimer that is not legible, that attempts to disclaim responsibility for the content of the promotional material or the opinions expressed in the material, that is misleading, or that is otherwise inconsistent with the content of the material;

(7) discloses the source of any statistical tables, charts, graphs, or other illustrations from a source other than the Member, unless the source of the information is otherwise obvious;

(8) states that supporting documentation will be furnished upon request if it includes any claims, comparisons, recommendations, statistics or other technical data;

(9) if soliciting for a trading program that will be managed by an FCM or IB or Associate of an FCM or IB, it includes the cumulative performance history of the Member's customers who have used the trading program; provided, however, that if the Member does not have customers who have traded the program through the Member, the promotional material must state that the trading program is unproven and must include all of the information required by section (c) of this Rule and the Interpretive Notice on the Use of Promotional Material Containing Hypothetical Performance Results (9025);

(10) refers to past recommendations regarding security futures products, the underlying securities, or a derivative thereof only if it sets forth all recommendations as to the same type, kind, grade, or classification of securities (including security futures products and other security derivatives) made by the Member or Associate within the last year; which information must include the name of each security recommended with the date and nature of each recommendation (*e.g.*, whether to buy or sell), the price at the time of the recommendation, the price at which or the price range within which the recommendation was to be acted upon, and the general market conditions during the period covered if the promotional material refers to past recommendations regarding security futures products, the underlying securities, or a derivative thereof;

(11) includes current recommendations regarding security futures products only if: (i) the Member has a reasonable basis for the recommendation; (ii) the material discloses all material conflicts of interest created by the Member's or Associate's activities in the underlying security; and (iii) the material contains contact information for obtaining the list of prior recommendations described in subsection (10);

(12) includes only a general description of the security futures products for which accounts, orders, trading authorization, or pool participations are being solicited; the name of the Member; and contact information for obtaining a copy of the current disclosure statement for security futures products; provided, however, that this subsection does not apply if the promotional material is accompanied or preceded by the disclosure statement for security futures products; and

(13) has been submitted to NFA for review and approval at least ten days prior to first use if it reaches or is designed to reach a public audience through mass media (*e.g.*, newspapers, magazines, radio, television, or other electronic media). This requirement does not apply to any promotional material in which the only reference to security futures products is contained in a listing of the Member's services.

ATTACHMENT D

Refer to NFA Web Document:
http://www.nfa.futures.org/compliance/publications/selfexam/self_exam.pdf

ATTACHMENT E

CFTC Record Storage Criteria

The CFTC permits required records to be maintained and preserved in hard copy, on "micrographic media" (microfilm, microfiche or similar medium), or by means of "electronic storage media" (any digital storage medium or system) provided that Centurion:

1. has available at all times for examination by the CFTC and/or Department of Justice, facilities for immediate, easily readable projection or production of images, and for producing easily readable images;

2. is ready at all times to provide, and immediately provides, any easily readable hard-copy image that representatives of the CFTC or Department of Justice may request;

3. keeps only CFTC-required records on the individual medium employed (*e.g.*, a disk or sheets of microfiche);

4. stores separately from the original, a duplicate copy of the record on any medium acceptable under the CFTC regulations for the time required;

5. organizes and indexes accurately all information maintained on both original and duplicate storage media (at all times Centurion must be able to have such indexes available for examination; each index must be duplicated and the duplicate copies stored separately; and original and duplicate indexes must be preserved for the time required for the indexed records);

6. has in place written operational procedures and controls (an "audit system") providing for accountability regarding inputting of records to electronic storage media and inputting of any changes made to every original and duplicate record maintained and preserved thereby (at all times the written operational procedures and controls and the results of such audit system must be available for examination by the CFTC or Department of Justice, and the results must be preserved for the time required for the audited records); and

7. maintains, keeps current, and provides promptly upon request by the CFTC or Department of Justice, all information necessary to access records and indexes stored on the electronic storage media; or places in escrow and keeps current a copy of the physical and logical file format of the electronic storage media and the source code, together with the appropriate documentation and information necessary to access records and indexes.

With respect to records that are stored solely on electronic media, at least one third party, having access to and the ability to download information from Centurion's electronic storage media to any acceptable medium under these regulations, must file with the CFTC undertakings to furnish promptly to the CFTC or the Department of Justice, upon reasonable request, all such information necessary to download information on Centurion's electronic storage media to any medium acceptable under the regulation and to take reasonable steps to provide access to information contained on the electronic

storage media, including downloading of any records in an acceptable format. (*See* CFTC Regulation 1.31(b)(4)).

Electronic storage media must preserve the records in a non-rewritable, non-erasable format; verify automatically the quality and accuracy of the recording process; serialize the original and, if applicable, duplicate units of storage, and time-date for the required period of retention the information placed on such media, and be able to readily download indexes and records preserved on the electronic storage media to any medium acceptable under the regulation as required by the CFTC or Department of Justice.

ATTACHMENT F

CENTURION INVESTMENT MANAGEMENT, LLC

ETHICS TRAINING COMPLIANCE POLICY

This Ethics Training Compliance Policy is being adopted consistent with National Futures Association ("**NFA**") Compliance Rule 2-9 and related NFA Interpretive Notice and the Commodity Futures Trading Commission ("**CFTC**") Statement of Acceptable Practices with Respect to Ethics Training of CFTC Registrants, as set out in Appendix B to Part 3 of the CFTC's Rules under the Commodity Exchange Act, as amended ("**CEA**"), in order to implement the mandate in Section 4p(b) of the CEA that all industry professionals be aware, and remain abreast, of their continuing obligations to the public.

1. Obligations

Centurion Investment Management, LLC (the "**Company**") acknowledges its obligation to maintain the highest ethical standards in all its dealings with clients and otherwise. Consistent therewith, the Company recognizes that its associated persons have an obligation to:

- observe just and equitable principles of trade, any rule or regulation of the CFTC, any rule of any appropriate contract market, registered futures association, or other self-regulatory association or any other applicable Federal or state law, rule or regulation;
- have an up-to-date knowledge of their ethical responsibilities; and
- remain current with regard to the ethical ramifications of new technology, commercial practices and legal and regulatory requirements.

2. Subject Matter To Be Covered

Ethics training sessions attended by Company personnel should, at a minimum, address:

- an explanation of the applicable laws and regulations and rules of self-regulatory organizations or contract markets and registered derivatives transaction execution facilities;
- the Company's and each individual's obligation to the public to observe just and equitable principles of trade;
- how to act honestly and fairly and with due skill, care and diligence in the best interest of customers and the integrity of the markets;
- how to establish effective supervisory systems and internal controls;
- how to obtain and assess the financial situation and investment experience of customers;

- the disclosure of material information to customers; and

- the avoidance of, proper disclosure concerning, and handling of, conflicts of interest.

3. Ethical Training Providers

Qualified outside service providers which the Company reasonably believes are well regarded in the industry, and which, in the Company's knowledge are not subject to any investigations or bars to registration or service on a governing board or disciplinary panel, will be utilized to provide ethical training to Company personnel. The Company must be satisfied that all such service providers have:

- completed recognized proficiency testing requirements, unless otherwise waived by NFA; and

- at least 3 years of relevant industry or similar experience.

The Company intends to utilize a third-party provider to provide ethical training to Company personnel.

4. Frequency of Training

- **New Registrants.** All new CFTC registrants must attend ethics training sessions within 90 days of the first anniversary of his registration, and consistent with the obligations imposed on all other Company personnel as set out below.

- **All Registrants.** The Company will provide relevant ethics training materials on an ongoing basis to all registrants. The Company will administer subsequent ethics training to all registrants at a minimum of once every three years.

5. Training Methodology

The Company intends to use a training program administered by a third-party provider, which may be in the form on an in-person or online program. Pursuant to this training program, the third-party provider will confirm and maintain a record of attendance (which may be in the form of a password protected log-in for online training programs) for each person designated by the Company to attend such training program. After each person completes the training program, they will be provided with a certificate of completion, a copy of which will also be sent to the Compliance Officer by the third-party provider.

6. Documentation

The Company will keep each certificate of completion issued to its personnel and the third-party provider will also maintain records indicating the Company personnel that obtained the training, the date of training and the materials used in connection with such training.

ATTACHMENT G

Privacy Policy of Centurion

Centurion is committed to protecting your privacy and maintaining the confidentiality and security of your personal information. This Privacy Policy explains the manner in which Centurion collects, utilizes and maintains nonpublic personal information about its investors ("**Investors**"), as required under Federal law. "**Centurion"** collectively refers to Centurion Investment Management, LLC and each investment program, partnership, limited liability company or fund (individually, a "**Fund**," and collectively, the "**Funds**") for which Centurion Investment Management, LLC serves as general partner, manager, managing member, trading member, director and/or investment manager. As noted above, this Privacy Policy only applies to products and services provided by Centurion to individuals (including regarding investments in the Funds) and which are used for personal, family, or household purposes (not business purposes).

Collection of Investor Information

Centurion collects personal information about its Investors from the following sources:

1. Subscription forms, investor questionnaires, account forms, and other information provided by the Investors in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, employment information, and financial and investment qualifications;

2. Transactions within each Fund, including account balances, investments, withdrawals/redemptions and fees;

3. Other interactions with Centurion (for example, discussions with our staff); and

4. Verification services and consumer reporting agencies, including an Investor's creditworthiness or credit history. (Centurion generally does not use these services.)

Disclosure of Nonpublic Personal Information

Centurion and the Administrator may share nonpublic personal information about Investors or potential Investors with affiliates, as permitted by law. Centurion and the Administrator do not disclose nonpublic personal information about Investors or potential Investors to nonaffiliated third-parties, except as permitted by law (for example, to service providers who provide services to the Investor, the Investor's account or a Fund).

Centurion may share nonpublic personal information, without an Investor's consent, with affiliated and nonaffiliated parties in the following situations, among others:

1. To respond to a subpoena or court order, judicial process or regulatory inquiry;

2. In connection with a proposed or actual sale, merger, or transfer of all or a portion of its business;

3. To protect or defend against fraud, unauthorized transactions (such as money laundering), lawsuits, claims or other liabilities;

4. To service providers of Centurion in connection with the administration and operations of Centurion, the Funds and other Centurion-affiliated products and services, which may include brokers, attorneys, accountants, auditors, administrators or other professionals;

5. To assist Centurion in offering Centurion products and services to its Investors; and

6. To process or complete transactions requested by an Investor.

Former Customers and Investors

The same Privacy Policy applies to former Investors.

Protection of Investor Information

Centurion and the Administrator maintain physical, electronic and procedural safeguards that comply with federal and applicable state standards to protect customer information. Centurion and the Administrator restrict access to the personal and account information of Investors to those employees who need to know that information in the course of their job responsibilities. Centurion and the Administrator will destroy, erase or make unreadable data, computer files and documents containing nonpublic personal information prior to disposal.

Further Information

Centurion reserves the right to change this Privacy Policy at any time. The examples contained within this Policy are illustrations and are not intended to be exclusive. This Policy complies with Federal and applicable state laws regarding privacy. You may have additional rights under other foreign or domestic laws that may apply to you. If you have any questions about this Privacy Policy, please call us at (312) 362-2118.

EXHIBIT 1

CFTC Rule 4.7 Funds and Accounts Operated by Centurion Investment Management, LLC as of October 1, 2014

CFTC Rule 4.7 Funds

None

CFTC Rule 4.7 Accounts

None

EXHIBIT 2

CLIENT CONTACT AUTHORIZED PERSONNEL
as of October 1, 2014

The following persons are authorized to contact clients of Centurion:

Umran Zia

EXHIBIT 3