

# **Commodity Trading Advisor Disclosure Document**

of:

## **Strat Asset Management, LLC**

125 South Wacker Drive, Suite 300  
Chicago, IL 60606  
Telephone: 1(312) 685-2080

Registered with the  
Commodity Futures Trading Commission

as a

## **Commodity Trading Advisor**

**THE COMMODITY FUTURES TRADING COMMISSION HAS NOT  
PASSED UPON THE MERITS OF PARTICIPATING IN THIS TRADING  
PROGRAM NOR HAS THE COMMISSION PASSED ON THE  
ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.**

The date of this disclosure document is:  
May 1, 2012

## **Risk Disclosure Statement**

**THE RISK OF LOSS IN TRADING COMMODITY INTERESTS CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IN CONSIDERING WHETHER TO TRADE OR TO AUTHORIZE SOMEONE ELSE TO TRADE FOR YOU, YOU SHOULD BE AWARE OF THE FOLLOWING:**

**IF YOU PURCHASE A COMMODITY OPTION YOU MAY SUSTAIN A TOTAL LOSS OF THE PREMIUM AND OF ALL TRANSACTION COSTS.**

**IF YOU PURCHASE OR SELL A COMMODITY FUTURE CONTRACT OR SELL A COMMODITY OPTION OR ENGAGE IN OFF-EXCHANGE FOREIGN CURRENCY TRADING YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS OR SECURITY DEPOSIT AND ANY ADDITIONAL FUNDS THAT YOU DEPOSIT WITH YOUR BROKER TO ESTABLISH OR MAINTAIN YOUR POSITION. IF THE MARKET MOVES AGAINST YOUR POSITION, YOU MAY BE CALLED UPON BY YOUR BROKER TO DEPOSIT A SUBSTANTIAL AMOUNT OF ADDITIONAL MARGIN FUNDS, ON SHORT NOTICE, IN ORDER TO MAINTAIN YOUR POSITION. IF YOU DO NOT PROVIDE THE REQUESTED FUNDS WITHIN THE PRESCRIBED TIME, YOUR POSITION MAY BE LIQUIDATED AT A LOSS, AND YOU WILL BE LIABLE FOR ANY RESULTING DEFICIT IN YOUR ACCOUNT.**

**UNDER CERTAIN MARKET CONDITIONS, YOU MAY FIND IT DIFFICULT OR IMPOSSIBLE TO LIQUIDATE A POSITION. THIS CAN OCCUR, FOR EXAMPLE, WHEN THE MARKET MAKES A “LIMIT MOVE”.**

**THE PLACEMENT OF CONTINGENT ORDERS BY YOU OR YOUR TRADING ADVISOR, SUCH AS A “STOP-LOSS” OR “STOP-LIMIT” ORDER, WILL NOT NECESSARILY LIMIT YOUR LOSSES TO THE INTENDED AMOUNTS, SINCE MARKET CONDITIONS MAY MAKE IT IMPOSSIBLE TO EXECUTE SUCH ORDERS.**

**A “SPREAD” POSITION MAY NOT BE LESS RISKY THAN A SIMPLE “LONG” OR “SHORT” POSITION.**

**THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY INTEREST TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.**

**IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS, AT PAGE NINE (9), A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR.**

**THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY INTEREST MARKETS. YOU SHOULD THEREFORE, CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY INTEREST TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT AT PAGE SIX (6).**

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

**THIS COMMODITY TRADING ADVISOR IS PROHIBITED BY LAW FROM ACCEPTING FUNDS IN THE TRADING ADVISOR'S NAME FROM A CLIENT FOR TRADING COMMODITY INTERESTS. YOU MUST PLACE ALL FUNDS FOR TRADING IN THIS TRADING PROGRAM DIRECTLY WITH A FUTURES COMMISSION MERCHANT OR RETAIL FOREIGN EXCHANGE DEALER AS APPLICABLE.**

Strat Asset Management, LLC.

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Enclosures:

- Managed Account Agreement
- Fee Payment Authorization
- Limited Power of Attorney
- Acknowledgement of receipt of disclosure document
- Client Information
- Client Authorization for Give-Up Orders
- Letter of Commitment
- Notional Funds Letter
- Arbitration Agreement

## Strat Asset Management, LLC.

### **Introduction & Principal**

Strat Asset Management, LLC ("SAM"), an Illinois Limited Liability Company, became registered with the United States Commodity Futures Trading Commission ("CFTC") as a Commodity Trading Advisor ("CTA") in September 2009 and is a member of the National Futures Association ("NFA"). The Principal of Strat Asset Management is Efstratios Tsalas. The main business address of Strat Asset Management is 125 South Wacker Drive, Suite 300, Chicago, Illinois 60606. The telephone number is (312)685-2080 and its fax number is (888)740-3800. Its email address is info@stratassetmanagement.com.

Efstratios Tsalas formed SAM in order to offer private investors the opportunity to participate in the trading strategies and methods he has developed over the years.

### **Business Background**

Efstratios Tsalas is the sole Principal, and an Associated Person of Strat Asset Management, LLC (September 2009 – Current). He brings with him more than thirteen years of derivatives trading experience and invaluable knowledge about the derivative markets and the industry as a whole.

From January 1997 through April 2004, while with Future Commission Merchants Peregrine Financial Group, Inc. (January 1997 – June 1997), Professional Market Brokerage, Inc. (June 1997 – October 1997), LFG, LLC (October 1997 – April 2000), Refco, LLC (April 2000 – December 2002), ZAP Futures, LLC (November 2002 – March 2004), and RJ O'Brien Associates, LLC (March 2004 – April 2004), Efstratios Tsalas acted as an Associated Person of those firms and was responsible for executing as many as 1000 strategic trades per day in domestic and international markets, managed the daily logistics and trading activities of a number of publicly available and a few privately held trading methodologies, and regularly executed individual trades worth more than \$500 million. While working for those firms, he started to understand how the different algorithms worked in relations to the different commodity markets and started developing algorithms of his own.

Efstratios Tsalas was one of the founding members, a Principal, and an Associated Person, of Madison, Monroe, & Whitaker Investment Services, LLC (MMW)(March 2004 – August 2009), a member of the National Futures Association and a Guaranteed introducing Broker with MF Global since April of 2004. MMW provides brokerage services to clients. He was instrumental in the business start-up and development of the company and was a Managing Member of the firm. He managed the daily logistics of an international trade desk, company finances, customer relations, and was the compliance officer of the firm. MMW registration has been withdrawn as of March 2010.

Efstratios Tsalas was one of the founding partners, a Principal, and an Associated Person, of Meridian Strategic Asset Management, Inc (July 2004 – August 2009), a registered Commodity Trading Advisor, and a member of the National Futures Association from July of 2004 through October of 2009. Past performance for Trading Program A directed by Efstratios Tsalas & Dermot Ives, III for the Advisor is on page fourteen (14). Efstratios Tsalas was one of the founding Members, a Principal, and an Associated Person, of Meridian Fund Management Services, LLC (July 2007 – August 2009), a registered Commodity Trading Advisor, a registered Commodity Pool Operator, and a member of the National Futures Association since July of 2007. He was the chief strategist, trading methodology developer, and the director of trading operations for both companies.

In August of 2009, with years of research and a clear understanding of building successful programs, Efstratios Tsalas decided to start Strat Asset management, LLC (September 2009 – Current) a registered Commodity Trading Advisor and a member of the National Futures Association since September of 2009. Past performance for the Global Diversified Program directed by Efstratios Tsalas for the Advisor is on page thirteen (13). Efstratios Tsalas was an Associated Person of Arc Capital Management (August 2009 – April 2010), an introducing broker, and NFA Member until May 2010. Efstratios Tsalas currently serves as an Associated Person at Coquest Inc. (January 2010 – Current), a Commodity Pool Operator, Introducing Broker, NFA Member, and was a Commodity Trading Advisor. Coquest Inc. registration as a Commodity Trading Advisor was withdrawn in January 2012.

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As an ardent student of the markets, Efstratios Tsalas has taught derivatives trading at DePaul University. Besides a career in the derivative markets, Efstratios Tsalas is registered with the Chicago Association of Realtors as a Real Estate Managing Broker.

### **Futures Commission Merchant and Introducing Broker**

Potential clients should note that Efstratios Tsalas, the Advisor, is an Associated Person of Coquest Inc. . Coquest Inc. is an Independent Introducing Broker (NFA Member #0232575). While Clients are free to choose the Futures Commission Merchant ("FCM") and Introducing Broker ("IB") of their choice, please note that the Advisor may require that Clients' trades be executed by FCM's chosen by the Advisor. Clients will be required to execute an authorization allowing the Advisor to execute give-up agreements on Clients' behalf. Clients' give-up fees will not exceed \$2.00 per half-turn.

### **Principal Risk Factors**

Trading commodity futures involves a high degree of risk. In such trading, the liability of the client is not limited to the initial investment of the equity in the client's account, but extends to any and all losses. Because futures trading is highly leveraged, losses may potentially be significantly larger than the client's total account equity. Clients are liable for such losses. Listed below are risks associated with trading commodity futures and options which a client should carefully consider before participating in the trading program.

Futures' trading is speculative and volatile: Commodity futures markets can be volatile. Price movement of futures contracts are influenced by, among other things, changing supply and demand relationships; climate; government agriculture, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events including natural disasters, governmental default, acts of terrorism, war; crop diseases; the purchasing and marketing programs of different nations; and changes in interest rates. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and precious metals. Such intervention is often intended to influence prices directly. None of these factors can be controlled by the Advisor and no assurances can be given that his advice will result in profitable trades for a client or that a client will not incur substantial losses.

Futures markets may be illiquid: United States futures and options exchanges impose "daily limits" on the amount by which the price of most futures contracts traded on such exchanges may vary during a single day. Daily trading limits prevent trades from being executed during a given trading day at a price above or below the daily limit. Once the price of a futures contract has moved to the limit price, it may be difficult, costly, or impossible to liquidate a position. Such limits could prevent the Advisor from promptly liquidating unfavorable positions and restrict his ability to offset commodity futures positions held in the client's account. In addition, even if futures prices have not moved the daily limit, the Advisor may be unable to execute trades at favorable prices if market liquidity is inadequate. It is also possible in a particular contract for an exchange or the CFTC to suspend trading, order immediate settlement, or order that trading be conducted for liquidation only.

Futures trading may be highly leveraged: The low margin deposits normally required in commodity futures trading (typically between 2% and 15% of the value of the contract purchased or sold) permit an extremely high degree of leverage. For example, if at the time of purchase, 10% of the contract price is deposited as margin, a 10% decrease in the price of the contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for brokerage commissions. A decrease of more than 10% would result in a loss of more than the total margin deposit. Accordingly, a relatively small price movement in a contract may result in immediate and substantial loss to the client. Like other leveraged instruments, any trade may result in losses in excess of the amount invested. When the market value of a particular open position changes to a point where the margin on deposit in a client's account does not satisfy the applicable maintenance margin requirement imposed by the client's futures commission merchant (FCM) or introducing broker (IB), the client, and not the Advisor, will receive a margin call from the FCM or the IB. If the client does not satisfy the margin call within a reasonable time (which may be as brief as a few hours), the FCM or IB may close out the client's position. Although long options are not subject to

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margin calls, the premium and brokerage expenses invested into them are subject to loss in their entirety.

Default of client's FCM: Under CFTC regulations, FCM's are required to maintain customer assets in a segregated account. If the Client's FCM fails to do so, the Client may be subject to risk of loss of funds in the event of the FCM's bankruptcy. Even if such funds are properly segregated, the customer may still be subject to a risk of a loss of his funds on deposit with the FCM should another customer of the FCM or the FCM itself fail to satisfy deficiencies in such other customer's accounts. Bankruptcy law applicable to all U.S. futures brokers requires that, in the event of the bankruptcy of such a broker, all property held by the broker, including certain property specifically traceable to the customer, will be returned, transferred or distributed to the broker's customers only to the extent of each customer's pro-rata share of all property available for distribution to customers. If any futures broker retained by the customer were to become bankrupt, it is possible that the Client would be able to recover none or only a portion of its assets held by such futures broker.

Counterparty risk: While the regulatory structure of the futures industry provides certain guarantees for the fulfillment of transactions executed on regulated exchanges, the Advisor cannot guarantee performance of any party involved in any transaction and cannot be held responsible for the default of any individual or organization. There is always the risk of default on behalf of governments, exchanges, counterparties, future commission merchants, brokers, commodity producers, and other market participants.

Foreign Markets are not regulated by the U.S. Government: The Advisor may engage in trading foreign futures contracts. Transactions in markets located outside the United States, including markets formally linked to a United States market may be subject to regulations that offer different or diminished protection. In particular, funds received from clients to margin foreign futures and options transactions may not receive the same protections as funds received to margin transactions on United States exchanges. Further, United States regulatory authorities may be unable to compel the enforcement of the rules of regulatory authorities or markets in non-United States jurisdictions where client transactions may be effected.

Foreign Markets Carry a Foreign Currency Risk: Trades executed in foreign markets are denominated in the currencies of those markets. As such, the Client assumes a risk in that the value of the foreign currency may devalue against the US dollar during the time in which the foreign market position is held. If the foreign currency declines in value any profit realized from the trade will be diminished and in fact may result in an overall loss while any losses realized from the trade will be larger as a result of the currency's devaluation.

Dependence on accuracy of market data: Trading decisions are based upon market information provided by third-party market-data providers. The Advisor is unable to guarantee the accuracy of market-data provided by such third-party vendors.

Trading decision based on technical analysis: The Advisor will make trading decisions for the trading program utilizing technical analysis. The profitability of technical analysis depends upon the accurate forecasting of major price moves in certain commodity futures markets. No assurances can be given of the accuracy of the forecasts or the existence of major price moves. The best trading method, whether based on technical and/or fundamental analysis, will not be profitable if there are no price moves or trends of the kind the trading method seeks to follow. In the past, there have been periods without discernible trends and, presumably, such periods will continue to occur in the future. Any factor which would lessen the prospect of major trends in the future (such as increased government control of or participation in commodity futures markets) may reduce the prospect that a particular trading method, whether technical and/or fundamental, will be profitable in the future. Moreover, any factor which would make it more difficult to execute trades at desired prices in accordance with a trading method's signals (such as a significant lessening of liquidity in a particular market) would also be detrimental to profitability. Further, many other trading methods may utilize similar analyses in making market decisions. Therefore, bunching of buy and sell orders can occur which makes it more difficult for a position to be taken or liquidated. No assurances can be given that the Advisor's trading method and strategies and trading decisions for a client will be successful under all or any market conditions.

Trading Facilities: Most open-outcry and electronic facilities are supported by computer-based component systems for the order routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they

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are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary; you should ask the firm with which you deal for details in this respect.

Electronic Trading: Trading on an electronic trading system may differ, not only from trading in an open outcry market, but also from trading on other electronic trading systems. If the Advisor undertakes transactions on behalf of the Client on an electronic trading system, the Client will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that the Client's order is either not executed according to the Advisor's instructions or is not executed at all.

Tax consequences: Each prospective client must consult and must depend on his own tax advisor regarding the federal, state, local, and foreign tax implications of participating in this program. The Advisor does not provide and is not qualified to give tax advice.

General uncertainty concerning futures regulatory changes: Regulatory changes could have a material and adverse effect on the trading program's prospects for profitability. The United States securities and commodities markets are subject to on-going and substantial regulatory changes, and it is impossible to predict what statutory, administrative or exchange-imposed restrictions may become applicable in the future.

Possible adverse effects of increasing assets managed by the Advisor: CTAs are limited in the assets which they can successfully manage, both by the difficulty of executing substantially larger trades in order to reflect larger equity under management and the restrictive effects of speculative position limits and possible market illiquidity. The rates of return recognized on the trading of limited assets may have little relationship to those an advisor can reasonably expect to achieve trading greater funds. The Advisor has not agreed to limit the amount of additional equity which he may manage. There can be no assurance that the Advisor's strategies will not be adversely affected by additional client funds.

The preceding list of risk factors is not intended to be a complete explanation of the risks involved in participating in the trading program. Each prospective client who intends to trade commodity futures contracts should carefully read this Disclosure Document, the risk disclosure statement at the beginning of this Disclosure Document and the risk disclosure statements of the FCM with particular care and give due consideration to the risks described therein.

### **The Trading Program**

#### **Global Diversified Program (GDP)**

From August 15, 2009 through April of 2011, the portfolio only traded US Futures markets. As of May 1, 2011, the portfolio is trading US futures contracts, foreign futures and forward contracts. Consequently, as of May 1, 2011, the name has changed from US Trend Following Conservative Diversified Portfolio (USTFCDP) to Global Diversified Program(GDP).

The GDP's objective is to achieve appreciation of Clients' assets through speculative trading in the US futures contracts, foreign futures and forward contracts.. There is no representation being made that the trading program offered by the Advisor will be successful in achieving this goal. The trading program utilized by Strat Asset Management, LLC is proprietary and confidential. The description below is therefore general by necessity and is not intended to be exhaustive.

The GDP relies primarily on a systematic technical trading algorithm that utilizes quantitative analysis of pricing data to identify and exploit long-term price movements in the commodity markets. Once a signal is generated, the position is initiated as long as the account is adequately funded for that particular commodity, and the allocation (depending on open positions in the account) allows the advisor to add that commodity to the account. All US futures contracts, foreign futures and forward contracts will be considered for trading in this program.

The strategy is designed to take advantage of long term movements in the commodity markets while keeping risk to a minimum. Based on this type of trading approach, the systematic technical trading algorithm calculates a strategic

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exit level from the entry price to minimize the loss in that market. The risk on each trade varies depending on the diversification of open positions in the account. On average, the risk is less than one percent of the account value per commodity.

Asset allocation is based upon the premise that no one market should impact the portfolio to a greater or lesser extent than any other market. Due to the different market values and volatility of each market, all trades are position adjusted based on the equity in the portfolio. Furthermore, the account is analyzed with a proprietary algorithm to measure the relationship between all open positions to equalize the return impact that one commodity or a group of commodities can have on a portfolio. This allocation and diversification is recalculated on a daily basis. Clients should note that managed futures are inherently volatile and risky, and that no risk reduction strategy can eliminate the possibility of significant losses.

The minimum initial investment, to participate in this trading program (GDP), is recommended to be at least \$250,000, although the Advisor may, in certain circumstances, agree to manage a smaller amount. The Advisor strongly recommends that its Clients view this managed futures trading program as a long-term investment and, accordingly, should not withdraw capital for at least two years.

### Fee Structure

Clients' accounts shall be charged a management and an incentive fee as set forth below. Once these fees are earned, the Advisor will retain the fees regardless of an account's subsequent performance. Please note that the Advisor reserves the right to pay a portion of its fees to other CFTC registrants in exchange for soliciting Clients.

The Advisor will charge the client a monthly incentive fee of 20% on net new profits. If the account is not profitable for a given month, no incentive fee will be charged by the Advisor for that month or subsequent months until the trading loss is recaptured. Further, a monthly administrative fee of 0.1667% (2% per annum) of the account's monthly closing value will be charged by the Advisor for account management.

The incentive fee is payable to the Advisor exclusively on the cumulative newly realized net profit as determined at the end of the last trading day of each month. The cumulative monthly net profit is equal to:

- the account's monthly closing value,
- less the prior month's account's monthly closing,
- less interim capital contributions,
- plus interim capital withdrawals (including management fees).

The account's monthly closing value is defined as the accounts ending balance following the close of business on the last trading day of the given month. The account's ending balance is inclusive of:

- the prior month's ending balance,
- captured profits or losses related to trading activities of the month,
- all open positions valued at the current market price,
- additions and withdrawals made by the account owner,
- any additional income earned by the account, and
- any expenses charged to the account during the month.

As such, excessive deposit/withdrawal activity initiated by the client is discouraged and may result in the termination of the advisory agreement.

The cumulative monthly net profit shall include, by this definition, interest or other income not directly related to trading activity. All broker commissions by definition, for the purpose of fee calculation are as of the date the account is debited. Broker up-front fees are defined as withdrawals. The Advisor reserves the right to reduce or waive the incentive fee on an account-by-account basis. All incentive fees will be retained by the Advisor and will not be repaid to the account. It should be noted that an account may have paid incentive fees for months when it traded profitably even though, at some subsequent time, the account may have a net loss overall. If the account or

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advisory agreement is terminated, any incentive fee due shall be payable on the next business day and shall be based on the final liquidation value of the account.

### **Notionally Funded Accounts**

If you request a trading advisor to trade your account with a degree of leverage that exceeds that recommended as appropriate by the advisor, you should be aware of the following:

- You will incur greater risk because you may experience greater losses, as measured by a percentage of assets actually deposited in your account, than in an account funded at the level recommended by the advisor.
- Your account will experience greater volatility, as measured by rates of return achieved in relation to assets actually deposited in your account, than an account funded at the level recommended by the advisor.
- You will pay higher advisory fees and brokerage commissions, as measured by the percentage of such fees and commissions in relation to assets actually deposited in your account, than a Client's account at the level recommended by the advisor.

### **Additional Disclosures for Notionally Funded Accounts**

You should request your commodity trading advisor to advise you of the amount of cash or other assets (actual funds) which should be deposited to the advisor's trading program for your account to be considered "Fully-Funded". This is the amount upon which the commodity trading advisor will determine the number of contracts traded in your account and should be an amount sufficient to make it unlikely that any further cash deposits would be required from you over the course of your participation in the commodity trading advisor's program. You are reminded that the account size you have agreed to in writing (the "nominal" account size) is not the maximum possible loss that your account may experience. You should consult the account statements received from your Futures Commission Merchant in order to determine the actual activity in your account, including profits, losses, and current cash balances. To the extent that the equity in your account is at any time less than the nominal account size, you should be aware of the following:

- Although your gains and losses, fees and commissions measured in dollars will be the same, they will be greater when expressed as a percentage of the account equity.
- You may receive more frequent and larger margin calls.
- The disclosures which accompany the performance table may be used to convert the rates-of-return ("RORs") in the performance table to the corresponding RORs for particular partial funding levels.
- The management fee paid to the advisor will be calculated based partly on the notional funds in the client's account. As a result, the use of notional funds will increase the amount of management fees that the advisor will receive from the client for trading the same amount of cash or actual funds. For example, the advisor may receive a 2% management fee. If a client's account is fully funded, the advisor will receive a 2% management fee based on the actual funds in the account. If the account, however, is funded at only 50% (one half actual funds and one half notional funds), the 2% management fee, expressed as a percentage of actual funds, would be 4%.
- The matrix shows that partially funding an account will magnify both gains and losses when compared to a fully funded account. Clients intending to use a notionally funded account should note that cash additions, cash withdrawals and net performance will not affect the nominal account size. As funds decrease in proportion to nominal account size, the leverage will increase in proportion to nominal account size, the leverage will increase, as will percentage gain or loss. A client who wishes to increase or decrease the nominal account size of their account should notify the advisor in writing of their intention.

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The table below contains a matrix displaying the impact upon rates of return that would result from leveraging an account with notional funds:

Level of Funding	Rate of Return						
<b>100%</b>	<b>-30.00%</b>	<b>-20.00%</b>	<b>-10.00%</b>	<b>0.00%</b>	<b>10.00%</b>	<b>20.00%</b>	<b>30.00%</b>
80%	-37.50%	-25.00%	-12.50%	0.00%	12.50%	25.00%	37.50%
60%	-50.00%	-33.00%	-16.70%	0.00%	16.70%	33.30%	50.00%
40%	-75.00%	-50.00%	-25.00%	0.00%	25.00%	50.00%	75.00%

- a. "Level of Funding" represents the percentage of Actual Funds divided by the Fully-Funded trading level.
- b. "Rates of return" represents the rate of return experienced by a client at various levels of account funding. The rates of return for accounts that are not Fully-Funded are inversely proportional to the percentage level of funding.

### Conflict of Interest

Strat Asset Management, LLC is subject to various potential conflicts of interest arising out of the relationship with its clients and others. These potential conflicts include the following:

The Advisor may advise other commodity trading accounts and commodity pools as well as offer other trading programs. Such accounts may be traded according to the same or different trading methods described herein. Such accounts could compete with the client's account for the execution of the same trades or take positions opposite to that of the client. Because of price volatility, variations in liquidity, and differences in order execution, it is impossible for the Advisor to obtain identical trade executions for all clients. In addition, certain clients of the Advisor may pay incentive fees to the Advisor which is higher than that which the Advisor will receive from other clients. As a result, the Advisor will have a conflict of interest in treating all client accounts alike and his interest in favoring certain clients over others because such clients may pay more in net fees to the Advisor. In rendering trading advice to a client, the Advisor will not knowingly or deliberately favor any other account over the account of the client. No assurance, however, is given that the performance of all accounts managed by the Advisor will be identical or even similar.

The Advisor (Strat Asset Management, LLC) may trade, or will continue to trade, its own proprietary accounts; such trading may be extensive. There is a conflict of interest between the Advisor's interest in trading client accounts in order to maximize trading profits for clients and the Advisor's interest in trading the proprietary accounts in order to maximize trading profits for such accounts. A potential conflict of interest may occur when the Advisor, as a result of a neutral allocation system, testing a new trading system, trading his proprietary accounts more aggressively or any other actions that would not constitute a violation of fiduciary duties, takes positions in the proprietary accounts which are opposite, or ahead of, the positions taken for a client. All account statements associated with the Advisor's proprietary trading activities are available for inspection by clients upon written request.

The Principal of Strat Asset Management, LLC may trade, or will continue to trade, his own proprietary accounts; such trading may be extensive. There is a conflict of interest between the Principals' interest, acting as the Advisor, in trading client accounts in order to maximize trading profits for clients and the Principals' interest in trading his own accounts in order to maximize trading profits for such accounts. A potential conflict of interest may occur when the Principal, as a result of a neutral allocation system, testing a new trading system, trading his own proprietary accounts more aggressively or any other actions that would not constitute a violation of fiduciary duties, take

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positions in his own accounts which are opposite, or ahead of, the positions taken for a client. All account statements associated with the Principals' proprietary trading activities are available for inspection by clients upon written request.

As the trading Advisor, Strat Asset Management, LLC will be compensated based on the profitability of the Client. This may present a conflict of interest in that Strat Asset Management, LLC may have an incentive to engage in trading that is overly aggressive in order to produce greater profits for the Client, thereby increasing the compensation of Strat Asset Management, LLC.

As the trading Advisor, Strat Asset Management, LLC will be further compensated based upon a fixed-rate percentage of the Client's assets under management by the Advisor. This may present a conflict of interest in that Strat Asset Management, LLC may have an incentive to simply allow Client assets to sit idle and to not employ Client assets in trading activities which may decrease the value of said assets.

Efstratios Tsalas, the principal and advisor, is an Associated Person with Coquest Inc.. As a consequence of this affiliation, the Advisor has a conflict of interest in using Coquest Inc. and continuing business dealings with Coquest Inc.. The Advisor or their affiliates may have commodity accounts at the same brokerage firm as the Client, and , because of the amount traded through the brokerage firm, may pay lower commission than the Client. The Advisor intends to review brokerage arrangements on a periodic basis to assure that the Client secures favorable execution of brokerage transactions and to assure that the commission paid is reasonable in relation to the value of the brokerage and other services provided. If Clients use Coquest Inc. as their introducing Broker, Coquest Inc. may be compensated by receiving a portion of the round-turn commission rates charged to the client. The commission rate charged to clients that open their accounts through Coquest Inc. will not exceed \$25.00 + fees (clearing and NFA fees) round turn. The Advisor may receive up to 50% of the commissions paid by the clients who choose to open their accounts through Coquest Inc. for participating in this trading program. The Advisor may be enticed to overtrade the Client's account in order to increase commission related revenues.

The Advisor and Coquest Inc. may manage other client accounts or proprietary accounts. The Advisor, Coquest Inc., and their principals may actively solicit for and manage other client accounts. In addition, the Advisor, Coquest Inc., and their principals may trade for their own accounts (collectively, "Proprietary Accounts"). In conducting such activities, the Advisor, Coquest Inc. and their principals may have conflicts of interest in allocating management time and administrative functions.

Further, the Client may participate in a "block" order that may include positions for unrelated client accounts of Coquest Inc., as well as the Proprietary Accounts of Coquest Inc. and its principal, in all cases, a systematic, non-preferential method of allocating the fill prices of any block order that results in a split fill will be used. The Advisor, Coquest Inc., nor its principal will enter into any trade for Proprietary Accounts where it knowingly favors any account over the Proprietary accounts.

### **Litigation**

There has never been any material, administrative, civil or criminal proceedings against Strat Asset Management, LLC, the Advisor, or its Principals

Strat Asset Management, LLC.

**Performance Information**

**Client Program**

The results shown below are actual results for the Global Diversified Program (formally known as US Trend Following Conservative Diversified Portfolio)\*\* that is being managed by the Advisor (Efstratios Tsalas) at Coquest Inc.. This account is a 4.13(A)(2) exempt commodity pool, which is not required to be registered as such. The Advisor makes no representation that the accounts of participants' will experience similar performance results.

Name of Client Program:..... Global Diversified Program  
 Persons Trading Account: ..... Efstratios Tsalas  
 Inception for Trading for Advisor: ..... August 2009  
 Inception of Trading Pursuant to the Program: ..... August 2009  
 Number of Accounts currently traded by Program:..... 1  
 Total assets managed pursuant to Program: ..... \$1,039,000.00  
 Assets currently under management:..... \$1,039,000.00  
 Worst monthly percentage drawdown\*: ..... (5.29%); December 2009  
 Worst peak to valley percentage drawdown: ..... (6.67%); Nov 09-Apr 10  
 Number of profitable accounts opened and closed: ..... 0  
 Range of returns experienced by profitable accounts: ..... N/A  
 Number of losing accounts opened and closed:..... 0  
 Range of returns experienced by unprofitable accounts: ..... N/A

Month	2012	2011	2010	2009
January	(1.73)%	1.08%	0.33%	
February	(0.01)%	(1.10)%	(1.27)%	
March	0.54%	(1.60)%	0.58%	
April		2.30%	(1.11)%	
May		(2.23)%	1.05%	
June		(0.35)%	0.15%	
July		0.09%	(0.76)%	
August		4.95%	0.03%	0.13%
September		3.10%	3.85%	(0.75)%
October		(4.26)%	5.51%	(4.00)%
November		(0.24)%	(4.98)%	8.23%
December		0.04%	3.64%	(5.29)%
Year	(1.21)%	1.46%	6.81%	(2.19)%

\*"Worst month percent drawdown": is the largest monthly loss experienced by all accounts included in the capsule in any calendar month expressed as a percentage of total equity and includes the month and year of such draw-down.

\*\*From August 15, 2009 through April of 2011, the portfolio only traded US futures markets. As of May 1, 2011, the portfolio is trading US futures contracts, foreign futures and forward contracts. Consequently, as of May 1, 2011, the name has changed from US Trend Following Conservative Diversified Portfolio (USTFCDP) to Global Diversified Program(GDP).

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

Strat Asset Management, LLC.

**Non-Related Trading Program Managed by Meridian Strategic Asset Management**

The results shown below are actual results for a Client program (closed end-of May '07) that was managed by Meridian Strategic Asset Management and materially unrelated and non-correlative to the trading activities of the Strat Asset Management, LLC Client Program (the program presented in this disclosure document). This account was employed for purposes of research and development. The Advisor makes no representation that the accounts of participants' will experience similar performance results.

Name of Trading Program:.....Trading Program A  
 Persons Trading Account: .....Dermod Ives, III; Efstratios Tsalas  
 Inception for Trading for Advisor: ..... October 2005  
 Inception of Trading Pursuant to the Program: ..... October 2005  
 Number of Accounts currently traded by Program:.....0  
 Total assets managed pursuant to Program: .....\$0.00  
 Assets currently under management:.....\$0.00  
 Worst monthly percentage drawdown\*:..... (10.50%); January 2007  
 Worst peak to valley percentage drawdown: .....(46.13%); May 06-March 07  
 Number of profitable accounts opened and closed: .....0  
 Range of returns experienced by profitable accounts:..... n/a  
 Number of losing accounts opened and closed:..... 1  
 Range of returns experienced by unprofitable accounts:.....(34.28%)

Month	2007
January	-10.50%
February	-0.32%
March	-2.99%
April	0.55%
May	-0.22%
June	
July	
August	
September	
October	
November	
December	
Year	-13.17%

\*"Worst month percent drawdown": is the largest monthly loss experienced by all accounts included in the capsule in any calendar month expressed as a percentage of total equity and includes the month and year of such draw-down.

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

## Strat Asset Management, LLC.

### Proprietary Trading Results

Start Asset Management, LLC makes no representation that the accounts of participants will experience similar performance results. Results presented below are materially different than results which would have been obtained by clients participating in the Client Program due to the different methodologies applied on an experimental basis with much greater margin to equity risk, and clients typically having to pay management and incentive fees to the Trading Advisor.

Name of Trading Program:..... Proprietary Trading  
 Persons Trading Account: ..... Efstratios Tsalas  
 Inception for Trading:..... April 2002  
 Inception of Trading Pursuant to the Program: ..... April 2002  
 Number of Accounts currently traded by Program:..... 3  
 Total assets managed:..... \$24,903.63  
 Assets currently under management:..... \$24,903.63  
 Worst monthly percentage drawdown\*:..... (29.06%); Oct 07  
 Worst peak to valley percentage drawdown:..... (66.74%); Nov 04-Oct 07  
 Number of profitable accounts opened and closed: ..... 1  
 Range of returns experienced by profitable accounts:..... 11.80%  
 Number of losing accounts opened and closed:..... 0  
 Range of returns experienced by unprofitable accounts:..... n/a

Month	2012	2011	2010	2009	2008	2007
January	17.71%	-8.31%	-8.11%	-0.75%	44.69%	-9.36%
February	-19.41%	-8.17%	2.56%	-3.25%	93.62%	-12.25%
March	1.26%	-9.15%	3.64%	-2.04%	7.92%	-1.80%
April		70.29%	1.85%	-2.19%	-15.01%	-3.72%
May		-13.41%	11.02%	15.59%	0.73%	3.57%
June		-12.85%	11.24%	-14.60%	6.77%	-10.69%
July		7.44%	-8.85%	0.99%	0.65%	-9.58%
August		13.41%	-7.66%	24.22%	2.68%	8.30%
September		14.17%	-1.86%	-26.60%	-5.18%	11.43%
October		-16.30%	0.34%	-9.75%	10.60%	-29.06%
November		0.00%	18.05%	23.42%	-0.55%	6.47%
December		0.00%	-19.81%	-25.94%	-3.84%	27.25%
Year	-3.94%	14.46%	-3.61%	-31.01%	186.41%	-27.05%

\*"Worst month percent drawdown": is the largest monthly loss experienced by all accounts included in the capsule in any calendar month expressed as a percentage of total equity and includes the month and year of such draw-down.

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

# Strat Asset Management, LLC.

## Consumer Privacy Policy

### Your Privacy is Our Priority

Strat Asset Management, (“SAM”) is committed to safeguarding the personal information that you provide us. This Privacy Policy describes how we handle and protect personal information we collect about individuals, such as you, who apply for or receive our products and services. The provisions of this notice apply to former customers as well as our current customers.

### Why and How We Collect Personal Information

When you apply for or maintain an account with SAM, we collect personal information about you for business purposes, such as evaluating your financial needs, processing your requests and transactions, informing you about products and services that may be of interest to you, and providing customer service. The personal information we collect about you includes:

- Information you provide to us on applications and other forms, such as your name, address, date of birth, social security number, occupation, assets, and income;
- Information about your transactions with us and with our affiliates;
- Information we receive from consumer reporting agencies, such as your credit history and creditworthiness, and other entities not affiliated with SAM; and
- Information you provide to us to verify your identity, such as a passport, or received from other entities not affiliated with SAM.

### How We Protect Personal Information

We limit access to your personal information to those employees who need to know in order to conduct our business, service your account, and help you accomplish your financial objectives, such as providing you with a broad range of products and services. Our employees are required to maintain and protect the confidentiality of your personal information and must follow established procedures to do so. We maintain physical, electronic, and procedural safeguards to protect your personal information. We do not rent or sell your name or personal information to anyone.

### Sharing Information with Our Affiliates

We may share personal information described above with our affiliates for business purposes, such as servicing customer accounts and informing customers about new products and services, and as permitted by applicable law.

The information we share with affiliates for marketing purposes may include the information described above, such as name, address and account information, but will not include other credit information, such as credit history appearing on a consumer credit report or net worth and income information appearing on applications for our products and services.

### Disclosure to Non-Affiliated Third Parties

In order to support the financial products and services we provide to you, we may share the personal information described above with third-party service providers and joint marketers not affiliated with us, including:

- financial service institutions (e.g., advisers, dealers, brokers, trust companies and banks) with whom we have joint marketing agreements, such as agreements to market financial services or products that we jointly offer, endorse or sponsor; and

## Strat Asset Management, LLC.

- Companies under contract to perform services for us or on our behalf, such as vendors that prepare and mail statements and transaction confirmations or provide data processing, computer software maintenance and development, transaction processing and marketing services.

These companies acting on our behalf are required to keep your personal information confidential. Also, we may disclose personal information with non-affiliated companies and regulatory authorities as permitted or required by applicable law.

For example, we may disclose personal information to cooperate with regulatory authorities and law enforcement agencies to comply with subpoenas or other official requests, and, as necessary, to protect our rights or property. Except as described in this privacy policy, we will not use your personal information for any other purpose unless we describe how such information will be used at the time you disclose it to us or we obtain your permission to do so.

### Accessing and Revisiting Your Personal Information

We endeavor to keep our customer files complete and accurate. We will give you reasonable access to the information we have about you. Most of this information is contained in account statements that you receive from us and applications that you submit to obtain our products and services. We encourage you to review this information and notify us if you believe any information should be corrected or updated. If you have a question or concern about your personal information or this privacy notice, please contact your SAM representative.

## Strat Asset Management, LLC.

### Managed Account Agreement

THIS MANAGED ACCOUNT AGREEMENT FOR ADVISORY SERVICES is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Strat Asset Management, LLC, hereinafter referred to as the "Advisor" or the "Trading Advisor" and \_\_\_\_\_, hereinafter referred to as the "Client".

#### This Agreement is Entered into Based upon the Following Representations

The Client represents that he has speculative capital for the principal purpose of investing in futures contracts and options on futures contracts ("Investments") and has been informed and is fully cognizant of the possible high risks associated with such investments. The Client represents, warrants and agrees that: (a) All of the information contained in this Agreement is true, correct and complete as of the date hereof and since Advisor is relying thereon undersigned will promptly notify the Advisor of any changes herein; (b) The trading in Investments is within the power of the Client and such activity will in no way contravene the provisions of any statutes, rules or regulations, judgments, orders or decrees or agreements to which the Client is bound or subject; (c) if Client is a corporation, limited partnership, or limited liability company, it is duly organized and in good standing under the laws of the state of its formation and every state in which it does business; (d) The actions of the authorized person designated on the Agreement to act for the Client has been authorized by all necessary or appropriate corporate actions if applicable, such person has full authority to execute this Agreement and all related documents on behalf of the Client and to act for Client in all matters regarding Client's account(s) and Advisor may at all times rely on the fact of such authority without any duty to investigate into either the authenticity or extent thereof; (e) If applicable, Client will confirm the matters contained in part (d) of this paragraph by supplying the Advisor, within a reasonable time, prior to the commencement of trading, with an executed copy of resolutions of the Board of Directors of Client in a form prescribed by the Advisor; (f) If Client is a partnership corporation, limited partnership, or limited liability company, such entity has express authority to speculate in Investments; and (g) Client has never been suspended or barred from trading by the CFTC or any predecessor agency or any other federal or state regulatory agency or any exchange or trade association, and Client undertakes to notify the Advisor of any change in such status within two (2) business days of any such change.

This agreement is for the following managed trading program and related advisory fees as described in Strat Asset Management, LLC's Commodity Trading Advisor Disclosure Document, which is incorporated herein by reference.

#### It is Mutually Agreed That

1. The Client shall execute any and all documents for the purpose of opening a trading account with \_\_\_\_\_ ("Broker"), a Futures Commission Merchant ("FCM"). The Client shall deposit cash and/or securities in the amount of \$ \_\_\_\_\_, to be traded pursuant to the Advisor's Program as described in the Advisor's Commodity Trading Advisor Disclosure Document. The Client hereby instructs the Advisor to trade the Client's account at a nominal level of \$ \_\_\_\_\_.
2. As compensation for advisory services, the Advisor will receive a management fee of \_\_\_\_\_% (\_\_\_\_\_% annually) of the Net Assets (as defined in the Advisor's Disclosure Document) in the Client's account at the end of each Month. In addition, the Advisor will receive \_\_\_\_\_% of the Net New Profits (as defined in the Advisor's Disclosure Document) the Advisor generates in the Client's account on a monthly basis.
3. The Advisor will trade the Investments and will have the exclusive authority to issue all necessary instructions to the Broker. All such transactions shall be for the account and risk of the Client.
4. The Advisor will seek capital appreciation in the Client's Account by trading speculatively in the Investments.
5. The Advisor's services are not rendered exclusively for the Client, and the Advisor shall be free to render similar services to others.

Strat Asset Management, LLC.

6. This Agreement shall remain in effect until terminated by the receipt of written notice of either party to the other. The Advisor or Client may terminate this Agreement for any reason upon such notice. Upon termination of this agreement, the open positions and subsequent management of the Account shall be the sole responsibility of the Client.
7. The Client agrees to immediately notify the Advisor orally and in writing if the Client is dissatisfied with the Advisor's decisions or actions. Written notification of any such complaints should be sent to the Advisor within ten (10) business days of the event or transaction which lead to the complaint. Failure on the part of the Client to provide such notification will be deemed to be the Client's acquiescence and ratification of the Advisor's conduct.
8. The Advisor's recommendations and authorizations shall be for the Account and risk of the Client. The Advisor makes no guarantee that any of its services will result in a profit to the Client. The Client has discussed the risks of the futures trading with the Advisor and understands those risks. The Client assumes the responsibility of losses that may be incurred.
9. The Client agrees to execute a "Limited Power of Attorney" attached hereto authorizing the Advisor to enter orders for the Investments for the Client's Account. The Client also agrees to execute any similar document provided by the Broker to allow the Advisor to enter trades on behalf of the Client.
10. The Client agrees to execute a "Fee Payment Authorization" enabling the Broker to make payments from the Client's Account to the Advisor in compensation for services as set forth in this agreement. The Client also agrees to execute any similar document provided by the Broker to allow such payments to the Advisor to be made.
11. The Client acknowledges that he has read a copy of the Advisor's most current Disclosure Document, including the Risk Disclosure Statement. The Advisor makes no guarantee that any of its services will result in a gain for the Client. The Advisor will not be liable to the Client or to others except by reason of acts constituting willful malfeasance or gross negligence as to its duties herein, and disclaims any liability for human or machine errors in orders to trade or not to trade Investments.
12. In the event that any provisions of this Agreement are invalid for any reason whatsoever, all other conditions and provisions of the Agreement shall, nevertheless, remain in full force and effect.
13. By depositing funds with the Broker, the Client acknowledges and accepts the propriety of the Advisor's trading program and his suitability to bear the economic risk of loss in trading in the Investments.
14. This Agreement constitutes the entire agreement between the parties, and no modification or amendments of this Agreement shall be binding unless in writing and by the participants hereto.
15. The Client acknowledges that should Client's account become underfunded, trading profits and losses on a percentage basis will be greater than if the account were fully funded and that additional capital may be required to maintain trading positions.
16. The Client agrees to bring any judicial action, including any complaint, counterclaim, cross claim, third party complaint or any arbitration proceeding, arising directly or indirectly in connection with this Agreement or any transaction covered herein or against the Advisor or any person who is an officer, agent, employee or associated person of the Advisor at the time the cause of action arises, only in courts or before arbitrators located within Chicago, Illinois, unless the Advisor voluntarily in writing expressly submits to another jurisdiction. In the event that the Client brings any judicial action or any arbitration proceedings against the Advisor, or any person who is an officer, agent, employee, or associated person of the Advisor, in a court or before arbitrators not located within Chicago, Illinois, the undersigned agrees to transfer the action to a court or before arbitrators in Chicago, Illinois. Client agrees that any hearing held by the Commodity Futures Trading Commission pursuant to its reparations procedures shall be heard, upon the election of the Advisor, only in Chicago, Illinois. Client also consents and submits to the jurisdiction of any state or federal court located within Chicago, Illinois. This agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

\_\_\_\_\_  
Account Name

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date









Strat Asset Management, LLC.

**Letter of Commitment**

The undersigned hereby acknowledges that the undersigned has committed money, securities or other tangible property ("Funds") in the total amount of \$ \_\_\_\_\_, to a managed account trading program directed by Strat Asset Management, LLC ("SAM"), a registered Commodity Trading Advisor ("CTA"). Of this amount, \$ \_\_\_\_\_ has been placed in a regulated commodity account (# \_\_\_\_\_) with \_\_\_\_\_, a registered futures commission merchant ("FCM") as an initial deposit. The difference between the total Funds committed and the value of the equity in the regulated commodity account shall be known as the "Balance of Funds". The balance of funds is being/will be held in the following other account(s) held by the FCM (committed only for the managed account program that is directed by SAM).

Account Name	Account Number
_____	_____
_____	_____

The undersigned further acknowledges that this balance of funds will be available at all times for automatic transfer to the regulated commodity account, by the FCM, until further notice by the undersigned. The above-named FCM is hereby instructed to provide SAM, for the duration of the period for which its manage the commodity account with all monthly statements and confirmations for the above-listed accounts for the express purpose of verifying on a periodic basis the total funds committed to SAM.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

\_\_\_\_\_  
Account Name

_____	_____	_____
Client's Signature	Print Name and Title	Date

_____	_____	_____
Client's Signature	Print Name and Title	Date

**Note:** If a joint account or general partnership, all persons must sign.  
If this is a limited partnership account, the general or managing partner(s) must sign.

Accepted:  
Strat Asset Management, LLC

By: \_\_\_\_\_ Date: \_\_\_\_\_



## Strat Asset Management, LLC.

### Arbitration Agreement

The undersigned client (“Client”) hereby agrees that any claim or controversy between Client and Strat Asset Management, LLC or any of its employees, affiliates, or agents, or its or their respective successors or assigns (collectively referred to as “SAM”) arising directly or indirectly out of, or relating to, the Managed Account Agreement between Client and SAM (the “Advisory Agreement”) or any of the account opening documentation, including but not limited to the Limited Power of Attorney, Fee Payment Authorization, Letter of Commitment, Notional Funds Letter or Client Authorization for Give Up Orders, or in connection with Client’s accounts with SAM, transactions between Client and SAM or any other document or agreement now or hereafter existing that relates to Client’s accounts with SAM, or any breach of any of them or any transactions effected pursuant to them shall, except as provided below, be resolved by binding arbitration before a forum chosen in accordance with the following procedure. At such time as Client notifies SAM or any of its affiliates that Client intends to submit a claim or controversy to arbitration or at such time as SAM or any of its affiliates notifies Client that SAM or any of its affiliates intends to submit a claim or controversy to arbitration, Client shall have the opportunity to choose a forum from a list of three or more qualified forums provided to Client by SAM within 10 days of notification that a claim or controversy is being submitted for arbitration.

If client fails to make a selection of a qualified forum within 45 days or receipt of such list, SAM shall have the right to select a qualified forum from the list. A “qualified forum” is an organization whose procedures for conducting arbitrations comply with the requirements of United States Commodity Trading Commission (“CFTC”) Regulation Section 166.5. The National Futures Association will be one of the forums offered. Any award rendered by the arbitrators shall be final and binding on and judgment may be entered in any court having jurisdiction.

SAM acknowledges that SAM or any of its affiliates who is a party to any controversy arbitrated pursuant to this Arbitration Agreement shall be required to pay any incremental fees which may be assessed by a qualified forum for provision of a mixed arbitration panel, unless the arbitrator(s) hearing the controversy shall determine that Client has acted in bad faith in initiating or conducting the arbitration.

A “mixed arbitration panel” is an arbitration panel composed of one or more persons, a majority of whom are not members of a contract market or employed by or otherwise associated with a member of a contract market and are not otherwise associated with a contract market.

Any hearing held to resolve any claim or controversy between Client and SAM under this Arbitration Agreement shall take place in Chicago, Illinois. Client agrees that in any arbitration proceeding under this Arbitration Agreement Client shall not claim and shall not be entitled to lost opportunity costs, consequential damages, treble damages, or punitive damages. In any arbitration proceeding where SAM is deemed to be the prevailing party, Client agrees that Client shall be responsible for the payment of SAM’s costs incurred in defending Client’s claim, including SAM’s attorney’s fees.

Any award rendered in any arbitration conducted pursuant to this Arbitration Agreement shall be final and binding on and enforceable each and/or all of the parties hereto and their personal representatives in accordance with the substantive law of the State of Illinois, and judgment may be entered on any such award by any court having jurisdiction thereof.

**THREE FORUMS EXIST FOR THE RESOLUTION OF COMMODITY DISPUTES: CIVIL COURT LITIGATION, REPARATIONS AT THE COMMODITY FUTURES TRADING COMMISSION (CFTC), AND ARBITRATION CONDUCTED BY A SELF-REGULATORY OR OTHER PRIVATE ORGANIZATION.**

**THE CFTC RECOGNIZES THAT THE OPPORTUNITY TO SETTLE DISPUTES BY ARBITRATION MAY IN SOME CASES PROVIDE MANY BENEFITS TO CUSTOMERS, INCLUDING THE ABILITY TO OBTAIN AN EXPEDITIOUS AND FINAL RESOLUTION OF DISPUTES WITHOUT INCURRING SUBSTANTIAL COSTS. THE CFTC REQUIRES, HOWEVER, THAT EACH CUSTOMER INDIVIDUALLY EXAMINE THE RELATIVE MERITS OF ARBITRATION AND THAT YOUR CONSENT TO THIS ARBITRATION AGREEMENT BE VOLUNTARY.**

