

DISCLOSURE DOCUMENT

OF

JOHN J. LOTHIAN & COMPANY, INC.

**AN ILLINOIS CORPORATION REGISTERED WITH THE
COMMODITY FUTURES TRADING COMMISSION AS A
COMMODITY TRADING ADVISOR**

DECEMBER 1, 2009

**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 DECEMBER 1, 2009 AND
THIS DISCLOSURE DOCUMENT MAY NOT BE UTILIZED AFTER
AUGUST 31, 2010.**

**550 Swain Avenue
Elmhurst, IL 60126**

www.johnlothian.com

johnlothian@johnlothian.com

Telephone: 312-203-5515

RISK DISCLOSURE STATEMENT

THE RISK OF LOSS IN TRADING COMMODITIES CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. 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 OR SELL A COMMODITY OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS 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 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 19 & 20, A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR.

RISK DISCLOSURE STATEMENT, Continued

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGES 21, 22, 23 & 24.

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.

Disclosure Document: 4

Table of Contents

DISCLOSURE DOCUMENT	1
RISK DISCLOSURE STATEMENT	2
RISK DISCLOSURE STATEMENT, Continued	3
Overview.....	5
History and Registrations.....	5
History and Registrations, Continued.....	6
Principals & Staff.....	7
John J. Lothian	7
Litigation.....	8
Conflicts of Interest.....	8
Investment Philosophy & Methodology – JJL/Defender Programs	9
Investment Philosophy.....	9
Trading Method	9
Potential Investment Benefits	9
Risk Management	10
Proprietary Trading Policy.....	11
Program Modification.....	12
Margin-to-Equity and Drawdown Limits	12
Discretionary Aspects	12
Account Procedures	13
Program Availability.....	13
Opening an Account	13
Brokerage Arrangements	13
Switching Between Programs	19
Withdrawal of Capital.....	19
Advisory Fees & Other Expenses.....	19
Management Fee.....	20
Incentive Fee.....	20
Give-Up Fees	20
Third Party Fees.....	21
Principal Risk Factors	21
Trading of Commodity Interests is Speculative and Volatile.....	21
Futures trading is Highly Leveraged.....	21
Markets may be illiquid	21
Trading of Commodity Options involves Certain Risks.....	22
Failure of Brokerage Firm or Futures Exchange	22
Concentration Risk.....	23
Trading on Futures Exchanges outside the United States; Currency Risk	23
Special Disclosure for Notionally-Funded Accounts	23
Funding Matrix for Notionally-Funded Accounts	24
Privacy Policy	25
Investment Programs & Performance.....	26
Maple Sugar	26
Big ED	27
Performance History – Maple Sugar.....	28
Performance History – Big ED.....	29
Glossary	30

John J. Lothian & Company, Inc. – The Company

Overview

John J. Lothian & Company, Inc. (“JL”) is an Illinois, United States-based Commodity Trading Advisor serving individual and institutional clients with a range of managed futures programs. JL also publishes the John Lothian Newsletter, Environmental Markets Newsletter and John Lothian Newsletter – Metals Edition and is building an integrated wiki to complement them. MarketsWiki.com, located at www.marketswiki.com, is an online open source knowledge base launched on January 11, 2008. The John Lothian Newsletter is a daily email news briefing about the global futures, derivatives and securities industries. The Environmental Markets Newsletter similarly covers the growing environmental related trading markets. JLN – Metals Edition is a daily email newsletter, a comprehensive aggregation of news and commentary about the metals markets. The newsletter focuses on activities in the futures markets, the physical trade and the companies that participate in either or both. JL managed futures programs deal in a limited number of futures and options markets while allowing investors a choice of programs with minimum investment requirements as low as \$15,000.

JL’s address of record is 550 Swain Avenue, Elmhurst, IL 60126 and its phone number is 312-203-5515. During regular business hours, JL’s Principal John J. Lothian, works from the offices of The Price Futures Group, Inc. at 141 West Jackson Blvd., Suite 1340A, Chicago, IL 60604. His Price Group telephone number is 312-264-4350 and his toll-free number is 1-800-713-0215. The Price Group’s fax number is 312-264-4399. The main Price Group phone number is 312-264-4300.

History and Registrations

JL, an Illinois corporation, was established in 2003 and became registered with the U.S. Commodity Futures Trading Commission as a Commodity Trading Advisor and a member of the National Futures Association in February of 2004. JL began trading client assets as of December 1, 2004.

JL in November 2004 acquired rights to the managed futures programs of Defender Capital Management, Inc. (Defender), which began managing client assets in June of 1998. In 2006, JL acquired the exclusive intellectual property rights for the trading strategies Defender trading programs. The Defender managed futures programs acquired by JL are named “Maple Sugar” and “Big ED.” JL has contracted with Jon Matte, formerly of Defender, to receive Big ED and Maple Sugar trading signals, position sizing, and trade management and money management instructions.

JL’s Maple Sugar program trades No. 11 World Sugar futures and options on ICE Futures US, formerly the New York Board of Trade. It also trades Canadian Dollar

John J. Lothian & Company, Inc. – The Company

History and Registrations, Continued

futures and options on the International Monetary Market of the Chicago Mercantile Exchange (“CME”), part of the CME Group. JJL’s Big ED program trades Eurodollar futures and options on the CME.

The two programs employ a directional trading methodology developed to generate trade signals, and incorporate risk management techniques to provide insurance against a shifting market.

JJL plans to develop additional managed futures programs through internal and external sources.

John J. Lothian is the sole owner of John J. Lothian & Company, Inc.

John J. Lothian & Company, Inc.
550 Swain Avenue
Elmhurst, IL 60126

Telephone: 312-203-5515
Email: johnlothian@johnlothian.com
Web site: www.johnlothian.com

John J. Lothian & Company, Inc. – The Company

Principals & Staff

John J. Lothian

John J. Lothian is President and CEO of John J. Lothian & Company, Inc., a Commodity Trading Advisor, newsletter publisher and consulting firm. He is the sole Principal of the CTA and became registered as Principal and an Associated Person of JJL effective as of February of 2004. In addition to running JJL, he is also the President of the Electronic Trading Division of The Price Futures Group, Inc., an Introducing Broker. Mr. Lothian joined The Price Group in October of 1997. He is also the editor and publisher of the John Lothian Newsletter and publisher of the Environmental Markets Newsletter and JLN – Metals Edition. Additionally, Mr. Lothian has been registered as an associated person with Price Asset Management since February of 2000 in a sales and marketing role.

Prior to establishing JJL and joining The Price Group, Mr. Lothian was a Principal and part owner of The Frazier Associates, Inc., an Introducing Broker, from September 1993 to December 1997. Mr. Lothian was also briefly registered as an Associated Person with futures commission merchant First Options of Chicago, Inc. from July 1993 to September 1993 during a transition to create The Frazier Associates. Mr. Lothian has also been an account executive with U.S. Futures & Options Company, Inc., a now-defunct firm CBOT member firm and Introducing Broker owned by the late John H. (Bud) Frazier from November of 1992 to July of 1993.

He was also an account executive with Gerald, Inc., a former Chicago-based Futures Commission Merchant during June of 1990 to October of 1992.

Mr. Lothian is a former member of the MidAmerica Commodity Exchange and traded on its trading floor for his own account during September 1989 to June 1990. He was also a proprietary trader with a trading group affiliated with futures commission merchant LIT America, Inc. from January 1989 to June 1989. Additionally, Mr. Lothian worked for futures commission merchant First American Discount Corp (“FADC”) (July 1985 to December 1988), during its early years in the 1980s and was part of a broker and trader training program taught by the late former CBOT Chairman and FADC founder William Mallers, Sr. FADC is now part of M F Global. Mr. Lothian was registered with FADC from May 1988 to January 1989. During June to August of 1989 Mr. Lothian was not employed, awaiting approval of his purchase of a MidAmerica Commodity Exchange membership. From May to June of 1985 Mr. Lothian was unemployed.

Mr. Lothian began his post collegiate employment (July 1984 to April 1985) as a news reporter for Commodity News Services, a news wire service then owned by Knight-Ridder.

Disclosure Document: 8

Mr. Lothian is a 1983 graduate of Purdue University in West Lafayette, Indiana. He holds a Bachelor of Science in General Management, with a concentration in Finance and a Bachelor of Arts in Mass Communications with a concentration in Journalism.

Mr. Lothian is active in his community as a volunteer and serves as a Scoutmaster of Troops 17 & 117 of Boy Scouts of American in Elmhurst, IL. Additionally, he is Chairman of the Potawatomi Trails District of Three Fires Council of Boy Scouts of America and a member of the Executive Council of Three Fires Council.

Performance data for JLL managed futures programs is located on pages 28 and 29.

John J. Lothian & Company, Inc. – The Company

Litigation

There have never been any administrative, civil or criminal actions against JLL or its principal.

Conflicts of Interest

Mr. John J. Lothian is a registered futures broker and receives compensation from commissions and fees generated by trading activity, including on some accounts that JLL manages. Mr. Lothian only receives commissions on trading accounts introduced to M F Global by Mr. Lothian's employer, The Price Futures Group, Inc. Mr. Lothian may also earn fees derived from the "give up" of trades of JLL managed accounts to FCM's other than M F Global. Mr. Lothian may earn up to 40 percent of gross commissions generated by managed account trades, but the net percentage of these fees and commissions paid to Mr. Lothian will vary depending on a number of factors, including volume, clearing rate, commission rates, operations cost, staffing costs and paid commission trails. The commissions paid to Mr. Lothian create an incentive to overtrade accounts he manages.

John J. Lothian & Company, Inc. does not participate in commissions on any accounts.

John J. Lothian & Company, Inc. has invested funds in a Commodity Pool, The Grow Fund, run by Rohrs & Company, Inc. ("Rohrs"). JLL previously traded funds for Rohrs, but discontinued doing so in August of 2009.

Investment Philosophy & Methodology – JLL/Defender Programs

Investment Philosophy

John J. Lothian & Company, Inc.'s market philosophy is based on the idea that futures prices are efficient and effective tools for identifying aggregate market psychology, behavior and trends. Those identified trends can be exploited for profits.

The specific philosophy of JLL's programs is to attempt to capture sustained market motion through the identification of simple and basic market behaviors. JLL's trading programs may participate in rising or falling market motion. They do not have a directional bias or try to predict future market direction. JLL believes there are investment return opportunities in participating in price movements identified by JLL's rules based methodology.

Trading Method

The JLL trading method is unique in the managed futures industry. The programs were not created from fitting indicators to historical data; rather by examining markets and trading from a higher perspective. The first overview analysis generated a few basic ideas and goals, which were distilled to produce a generalized set of rules. The end result is a systematic core method that attempts to follow along with the market's behavior.

The core system attempts to take advantage of trending markets by reacting to what is happening. It does not predict future market direction or try to precisely time an entry point. Instead, the method assumes that the market is in, or will be entering, a congestion period when a position is initiated. Maximum loss calculations are predetermined prior to the opening of a position and assume normal market conditions. Stops are used with all positions to protect against losses and to lock in profits if a trade moves decisively and triggers the appropriate rules. It should be noted, that due to adverse market conditions, stop orders may not be executed at the stop price, which may not limit losses.

The rules relax if a sizeable trend develops, which allows for intra-trend chop without reversing too quickly. The system uses a small set of arithmetic moving indicators as a way to consistently exit, initiate and size positions. Aside from those indicators, all of the system's decisions and rules are "if-then" constructions rather than mathematical expressions.

Potential Investment Benefits

An investment with John J. Lothian & Company and JLL managed futures programs may provide several potential benefits, including:

- Ability to profit in rising or declining markets
- A systematic and disciplined trading methodology
- May improve risk/reward profile when added to an equity and fixed income portfolio
- Liquidity

Disclosure Document: 10

- Potential to earn competitive returns

Any prospective client should carefully read the Principal Risk Factors on pages 21, 22, 23 and 24 for a discussion of the potential risks of an investment with JLL.

Risk Management

The highest level of JLL managed futures program's risk philosophy is that the proper control of risk is not simply the most important part of a trading program; it is the reason for a trading program's existence. Profit largely takes care of itself. It is the way that risk and loss are managed that determines the success and survival of any trading program.

In an ongoing analysis of many different trading programs and traders' behavior over time, one of the most valuable lessons learned is that there is a striking difference between risk management and loss management. Loss management involves trying to avoid losing trades, and analyzing a program's behavior based on how much money it has lost over time (or through historical testing). Risk management, on the other hand, involves determining how often and how much a program SHOULD lose, and analyzing a program's behavior or historical test results based on how much it might have lost on each trade, regardless of the actual outcome.

Loss management, if carefully done, may delay an unavoidable collapse and shutdown of a trading program, but it will happen nonetheless. Risk management cannot guarantee a program's safety, but it can remove the inevitability of it, improve performance over time, and at the very worst provide a predetermined means to shut down a failing program before it has unrecoverable losses.

JLL's programs employ the following risk management rules and guidelines:

Keep the win-loss ration relatively even. High probability systems have an inherently high instability despite their outward appearance to the contrary. It requires a lot from the world, the market and the trading program to create constantly optimal conditions for profit. Moreover, a program that is already purportedly 95% accurate has very little room to improve on its typical returns.

JLL's program's choice is to trade a method that can be steadily profitable over time even when it only wins half the time. That leaves plenty of room for even better results when things go better than expected, and provides flexibility to handle substandard market conditions for a longer period of time. The ability to withstand an unusually extended period of bad market behavior is critical for long-term survival.

The method's trading philosophy considers all trades to be losers when they are established. Because of that assumption, stops are tighter against the market, rather than giving a trade more of a chance to retrace before heading in the "right" direction. We are also unaffected emotionally as traders by the loss because it was calculated at the start, so when losses to occur they are planned events rather than frightening events. This attitude spawns additional healthy practices, such as always measuring a trade's worth not by

Disclosure Document: 11

where the market is right now, but instead by where the exit stop resides, regardless of the degree of profit or loss currently in the market or the stop.

Risk per trade is predetermined. As each new trade's entry point is identified, we also mechanically calculate the maximum normal loss point for the trade, and place a stop into the market when the trade is established. The maximum stop point is determined not by dollar value, but by the relative recent price activity in the market. Fixed-distance stops do not reflect current markets conditions, so we do not use them.

Position size is adjusted to keep the maximum loss stop under a fixed risk ceiling. Based on the amount of money to be lost per contract, each account's trading volume is adjusted on each trade so that it trades as many contracts as possible while still remaining under a percentage loss. As volatility and danger in the market increases, we reduce the number of contracts traded. As the market narrows, we trade more. If the market's behavior grows too erratic, rules can trigger to keep the program out of the market until the volatility returns to a more normal level.

Monitoring system performance is done on a qualitative as well as a quantitative level. As each trade progresses and closes, we keep a close eye on whether the method is behaving as expected. We expect losses and gains to be both within a normal range, and we expect the system to win and lose according to specific templates. Risk management therefore encompasses not only trade-by-trade results, but also the system's performance as a whole against a behavioral benchmark.

The risk levels of specific programs may be found in their respective sections of this disclosure document.

Proprietary Trading Policy

JJL's principal may trade futures for his own accounts and for the accounts of his clients in his role as a broker, and in doing so may take positions opposite to those held by clients or may be competing with clients for positions in the marketplace. Records of this trading will not be available for inspection by clients. Such trading may create conflicts of interest on behalf of one or more such persons in respect of their obligations to clients.

Because JJL and its principal may trade for their own accounts at the same time they are involved in trading activities on behalf of JJL clients, prospective clients should be aware that — as a result of a neutral allocation system, testing a new trading system, trading their proprietary accounts more aggressively or other actions — such persons may from time to time take positions in their proprietary accounts which are opposite, or ahead of, the positions taken for clients.

Any accounts John J. Lothian & Company, Inc. has an investment in will be available for public inspection.

Disclosure Document: 12

Program Modification

JJL continues to conduct research and evaluate program performance on an ongoing basis. If a market presents a new class of phenomena, a rule may be added or updated to incorporate the latest insight. While the basic trading methodology is intended not to change, the potential benefits of employing more than one investment methodology, or in varying combinations, is a subject of continual testing, review and evaluation.

JJL research may suggest the introduction of alternative trading methodologies with respect to particular contracts; this may occur, for example, when the testing of a different methodology has indicated that its use might have resulted in improved historical performance. In addition, risk management research and program analysis may suggest modifications regarding the relative weighting among various contracts, modifying the style and/or timing used by a program to trade a particular contract, the addition or deletion of a contract traded by a program, or a change in the position size in relation to account equity.

All cash in JJL's futures programs is available for trading, although the amounts committed to margin will vary from time to time. As capital in each JJL program increases, JJL may vary the weighting at its discretion as market conditions, liquidity, position limit considerations and other factors warrant. You will generally not be informed of such changes.

Margin-to-Equity and Drawdown Limits

JJL will not establish positions in the market that would send a fully funded account's margin to equity ("M-E") ratio over 25%. JJL's programs normal M-E ratio should be between 9-17%, depending on the specific trade and the balance of an account. The average trade should be closer to 11%. The M-E ratio is calculated as the margin required to maintain an open position, divided by the nominal (full, including any notional funding) value of the account.

If drawdowns, or losses experienced over time, become too high during normal system activity, then the program has ceased to be effective and will be discontinued. Therefore, if a peak-to-valley drawdown exceeds 40% of a fully funded accounts balance, JJL will bring trading to a halt as soon as is reasonably possible, and will initiate no new trades.

Discretionary Aspects

JJL at its sole discretion may override trading signals and may at times use discretion in applying its method, which may affect performance positively or negatively. This could occur, for example, when JJL determines that markets are illiquid or erratic, such as may occur cyclically during holiday seasons, or on the basis of irregularly occurring market events. Such subjective aspects in JJL's application the trading program also include the determination of position size in relation to account equity, timing of commencement of trading an account, the investment of assets associated with additions, redemptions, and reallocations, futures contracts used and contract months traded and effective trade execution.

Account Procedures

Program Availability

Individually managed accounts may only invest in Maple Sugar or Big ED at the sole discretion of JJL. Fund or pooled accounts may invest in either program. Pursuant to JJL's Anti-Money Laundering Procedures, JJL requires that investors must provide us with a confirmation of their identity, as well as other relevant information, before an account can be opened, or an advisory agreement can be entered into with JJL. Maple Sugar has a minimum account size of \$35,000 and Big ED or \$15,000. Notionally funded accounts are also accepted on an account-by-account basis.

Opening an Account

In order for JJL to manage an account for a client, a client must:

1. Complete and return to JJL the New Client Forms;
2. Provide confirmation of client identity;
3. Complete all documents required by the FCM, Introducing Broker and or Account Executive;
4. Deposit Funds with the FCM;

After JJL is given authority to manage an account, JJL will begin trading either on the next new trade entry or prior to that point if a more favorable price can be obtained on the entry of the current trade.

Brokerage Arrangements

Each client must select the Futures Commission Merchant ("FCM") and, if applicable, the Introducing Broker that will maintain and service the account. JJL has no requirement that clients must choose the brokerage services of JJL's principal, his IB employer or any of its registered brokers.

Clients may open an account with JJL's principal or any registered broker of his IB employer, The Price Futures Group, Inc. through its clearing relationship with M F Global if they so choose. JJL has no authority with respect to the selection of an FCM, or the brokerage arrangements, unless clients chose to deal directly with JJL's principal in his brokerage capacity. Regardless of the brokerage selected and the brokerage arrangements, they must be acceptable to JJL. JJL will consider the financial terms the customer has negotiated and operational hurdles presented by each brokerage firm in deciding whether to accept an account.

MF Global Inc. ("MFG") is registered under the Commodity Exchange Act, as amended, as a futures commission merchant and a commodity pool operator, and is a member of the National Futures Association in such capacities. In addition, MFG is registered with the Financial Industry Regulatory Authority as a broker-dealer. MFG was formerly known as Man Financial Inc. ("MFI") until the change of name to MFG was effected on July 19, 2007. MFG is a member of all major U.S. futures exchanges and most major U.S. securities exchanges. MFG's main office is located at 717 Fifth Avenue, 9th Floor,

Disclosure Document: 14

New York, New York 10022-8101. MFG's telephone number at such location is (212) 589-6200.

At any given time, MFG is involved in numerous legal actions and administrative proceedings, which in the aggregate, are not, as of the date of this Memorandum and/or Disclosure Document ("Memorandum"), expected to have a material effect upon its condition, financial or otherwise, or to the services it will render to the Partnership. There have been no administrative, civil or criminal proceedings pending, on appeal or concluded against MFG or its principals within the five years preceding the date of this Memorandum that MFG would deem material for purposes of Part 4 of the Regulations of the Commodity Futures Trading Commission (the "CFTC"), except as follows:

In May, 2006, MFI was sued by the Receiver for Philadelphia Alternate Asset Fund ("PAAF") and associated entities in the United States District Court for the Eastern District of Pennsylvania for common law negligence, common law fraud, violations of the Commodity Exchange Act and RICO violations (the "Litigation"). In December, 2007, without admitting any liability of any party to the Litigation to any other party to the Litigation, the Litigation was settled with MFI agreeing to pay \$69 million, plus \$6 million of legal expenses, to the Receiver, in exchange for releases from all applicable parties and the dismissal of the Litigation with prejudice. In a related action, MFI settled a CFTC administrative proceeding (In the Matter of MF Global, f/k/a Man Financial Inc., and Thomas Gilmartin) brought by the CFTC against MFI and one of its employees for failure to supervise and recordkeeping violations. Without admitting or denying the allegations, MFI agreed to pay a civil monetary penalty of \$2 million and accepted a cease and desist order.

On February 20, 2007, MFI settled a CFTC administrative proceeding (In the Matter of Steven M. Camp and Man Financial Inc., CFTC Docket No. 07-04) in which MFI was alleged to have failed to supervise one of its former associated persons ("AP") who was charged with fraudulently soliciting customers to open accounts at MFI. The CFTC alleged that the former AP misrepresented the profitability of a web-based trading system and of a purported trading system to be traded by a commodity trading advisor. Without admitting or denying the allegation, MFI agreed to pay restitution to customers amounting to \$196,900.44 and a civil monetary penalty of \$120,000. MFI also agreed to a cease and desist order and to strengthen its supervisory system for overseeing sales solicitations by employees in connection with accounts to be traded under letters of direction in favor of third party system providers.

On March 6, 2008, and thereafter, 5 virtually identical proposed class action securities suits were filed in the United States District Court for the Southern District of New York against MFG's parent, MF Global Ltd. ("MF Global"), certain of its officers and directors, and Man Group plc. These suits have now been consolidated into a single action. The complaints seek to hold defendants liable under §§ 11, 12, and 15 of the Securities Act of 1933 by alleging that the registration statement and prospectus issued in connection with MF Global's initial public offering in July 2007, were materially false and misleading to the extent that representations were made regarding MF Global's risk management policies, procedures and systems. The allegations are based upon MF Global's disclosure of \$141.5 million in trading losses incurred in a single day by an AP

Disclosure Document: 15

in his personal trading account (the “Trading Incident”), which losses MFG was responsible to pay as an exchange clearing member. The consolidated cases have been dismissed on a motion to dismiss by defendants. Plaintiffs have appealed.

On August 28, 2009, the Bank of Montreal (“BMO”) instituted suit against MFG and our former broker, Joseph Saab (as well as a firm named Optionable, Inc. and five of its principals or employees), in the United States District Court for the Southern District of New York. In its complaint, BMO asserts various claims against all defendants for their alleged misrepresentation of price quotes to BMO’s Market Risk Department (“MRD”) as independent quotes when defendants knew, or should have known, that David Lee, BMO’s trader, created the quotes which, in circular fashion, were passed on to BMO through our broker, thereby enabling Lee substantially to overvalue his book at BMO. BMO further alleges that MFG and Saab knew that Lee was fraudulently misrepresenting prices in his options natural gas book and aided and abetted his ability to do so by MFG’s actions in sending price indications to the BMO MRD, and substantially assisted Lee’s breach of his fiduciary duties to BMO as its employee (the “Natural Gas Price Information Matter”). The Complaint seeks to hold all defendants jointly and severally liable and, although it does not specify an exact damage claim, it claims CAD 680.0 million (approximately \$635.9 million) as a pre-tax loss for BMO in its natural gas trading, and claims that it would not have paid brokerage commissions to MFG (and Optionable), would not have continued Lee and his supervisor as employees at substantial salaries and bonuses, and would not have incurred substantial legal costs and expenses to deal with the Lee mispricing. MFG has made a motion to dismiss which is pending but this litigation is in its very earliest stages.

In a CFTC Order dated December 17, 2009, MFG settled a comprehensive CFTC administrative proceeding related to the Trading Incident, the Natural Gas Price Information Matter and separate matters involving accurate preparation of trading cards and appropriate authorization to conduct trades. In the Matter of MF Global Inc., CFTC Docket No. 10-03. Under the order, MFG, without admitting or denying any allegations by the CFTC, accepted a charge of lack of supervision in each of the matters, agreed to pay an aggregate civil monetary penalty of \$10 million (which it had previously accrued) and agreed to a cease and desist order. In addition, MFG agreed to specific undertakings related to its supervisory practices and procedures and MFG agreed that it would engage an independent outside firm to review and assess the implementation of the undertakings and certain recommendations previously made to, and accepted by, MFG. At the same time, without admitting or denying the allegations made by the CME relating to the Trading Incident, MFG settled a CME administrative action by paying a fine of \$495,000 and agreeing to certain undertakings essentially akin to the undertakings in the CFTC Order referred to above.

MFG was named as a co-defendant in an action filed in the Circuit Court of the Seventeenth Judicial Circuit for Broward County Florida by Eagletech Communications Inc. (“Eagletech”) and three of its alleged shareholders against 21 defendants, including banks, broker-dealers and clearing brokers, as well as “100 John Doe defendants or their nominee entities”. The complaint alleges that the defendants engaged in a criminal conspiracy designed to manipulate the publicly traded share price of Eagletech stock. Plaintiffs seek unspecified compensatory and special damages, alleging that “Man Group

Disclosure Document: 16

PLC d/b/a Man Financial Inc” participated in the conspiracy by acting as a clearing broker for a broker-dealer that traded in Eagletech stock. The complaint asserts claims under RICO, the Florida Securities and Investor Protection Act, the Florida Civil Remedies for Criminal Practices Act and a related negligence claim. On May 9, 2007, defendants filed a notice removing the State Court action to the United States District Court for the Southern District of Florida (Ft. Lauderdale Division) pursuant to 28 U.S.C. §1441(a). On October 2, 2007, Plaintiffs filed a first amended complaint in the federal court action asserting additional claims against Man Financial Inc under Florida common law, including civil conspiracy, conversion and trespass to chattels. On February 26, 2008, the financial institution defendants, including MF Global Inc., filed a motion to dismiss seeking dismissal of all claims asserted in the amended complaint on the ground that the claims are barred by the Private Securities Litigation Reform Act (“PSLRA”) and preempted by the federal securities laws. On June 27, 2008, the Court partially granted the motion, holding that the federal RICO claims are barred by the PSLRA and dismissing the RICO claims with prejudice. The Court declined to exercise supplemental jurisdiction over the state law claims and remanded those claims to the state court. On July 25, 2008, plaintiffs filed a notice of appeal of the Court’s June 27, 2008 decision to the United States Court of Appeals for the Eleventh Circuit but subsequently withdrew its appeal. MFG is unsure of whether plaintiffs will pursue the state action. Since the case is in its earliest stages, it is difficult to determine exposure, if any.

In December 2007, MFG and four other futures commission merchants (“FCMs”), were named as defendants in an action filed in the United States District Court for the Southern District of Texas by 47 individuals who were investors in a commodity pool (RAM I LLC) operated by Renaissance Asset Management LLC. The complaint alleges that MFG and the other defendants violated the Commodity Exchange Act and alleges claims of negligence, common law fraud, violation of a Texas statute relating to securities fraud and breach of fiduciary duty for allegedly failing to conduct due diligence on the commodity pool operator and commodity trading advisor, having accepted executed trades directed by the commodity trading advisor, which was engaged in a fraudulent scheme with respect to the commodity pool, and having permitted the improper allocation of trades among accounts. The plaintiffs claim damages of \$32.0 million, plus exemplary damages, from all defendants. All of the FCM defendants moved to dismiss the complaint for failure to state a claim upon which relief may be granted. Following an initial pre-trial conference, the court granted plaintiffs leave to file an amended complaint. On May 9, 2008, plaintiffs filed an amended complaint in which plaintiffs abandoned all claims except a claim alleging that the FCM defendants aided and abetted violations of the Commodity Exchange Act. Plaintiffs now seek \$17.0 million in claimed damages plus exemplary damages from all defendants. MFG filed a motion to dismiss the amended complaint which was granted by the court and appealed by the plaintiffs.

In June 2009, the Liquidation Trustee (“Trustee”) for Sentinel Management Group, Inc. (“Sentinel”) sued MFG in the United States District Court for the Northern District of Illinois on the theory that MFG’s withdrawal of \$50.2 million within 90 days of the filing of Sentinel’s bankruptcy petition on August 17, 2007 is a voidable preference under Section 547 of the Bankruptcy Code and, therefore, recoverable by the Trustee, along with interest and costs. MFG believes there are substantial defenses available to MFG and MFG intends to resist the Trustee’s attempt to recover those funds from MFG. In

Disclosure Document: 17

addition, to the extent the Trustee recovered any funds from MFG, MFG would be able to assert an offsetting claim in that amount against the assets available in Sentinel's bankruptcy case. The matter is in its early stages and litigation has just commenced.

In May 2009, investors in a venture set up by Nicholas Cosmo sued Bank of America and MFG, among others, in the United States District Court for the Eastern District of New York, alleging that MFG, among others, aided and abetted Cosmo and related entities in a Ponzi scheme in which investors lost \$400 million. MFG has made a motion to dismiss which is currently pending before the court. The litigation is in its earliest stages.

In the late spring of 2009, the MFG was sued in Oklahoma State Court by customers who were substantial investors with Mark Trimble and/or Phidippides Capital Management. Trimble and Phidippides may have been engaged in a Ponzi scheme. Plaintiffs allege that MFG "materially aided and abetted" Trimble's and Phidippides' violations of the anti-fraud provisions of the Oklahoma securities laws and they are seeking damages "in excess of" \$10,000 each. MFG made a motion to dismiss which was granted by the court. Plaintiffs have appealed.

MFG and an affiliate, MF Global Market Services LLC ("Market Services") are currently involved in litigation with a former customer of Market Services, Morgan Fuel & Heating Co., Inc. ("Morgan Fuel") and its principals, Anthony Bottini, Jr., Brian Bottini and Mark Bottini (the "Bottinis"). The litigations arise out of trading losses incurred by Morgan Fuel in over-the-counter derivative swap transactions, which were unconditionally guaranteed by the Bottini principals.

On October 6, 2008, Market Services commenced an arbitration against the Bottinis before the Financial Industry Regulatory Authority ("FINRA") to recover \$8.3 million, which is the amount of the debt owed to Market Services by Morgan Fuel after the liquidation of the swap transactions. MF Global Market Services LLC v. Anthony Bottini, Jr., Brian Bottini and Mark Bottini, FINRA No. 08-03673. Each of the Bottinis executed a guaranty in favor of Market Services personally and unconditionally guaranteeing payment of the obligations of Morgan Fuel upon written demand by Market Services. Market Services asserted a claim of breach of contract based upon the Bottinis' failure to honor the guarantees.

On October 21, 2008, Morgan Fuel commenced a separate arbitration proceeding before FINRA against MFG and Market Services. Morgan Fuel v. MFG and Market Services, FINRA No. 08-03879. Morgan Fuel claims that MFG and Market Services caused Morgan Fuel to incur approximately \$14.2 million in trading losses. Morgan Fuel seeks recovery of \$5.9 million in margin payments that it allegedly made to Market Services and a declaration that it has no responsibility to pay Market Services for the remaining \$8.3 million in trading losses. Morgan Fuel contends that MFG and Market Services should not have allowed Morgan Fuel to enter into, or maintain, the swap transactions. The Supreme Court of New York for the County of New York has temporarily stayed the arbitration commenced by Morgan Fuel on the ground that there is no agreement to arbitrate. The motion for a permanent stay was denied and MFG has appealed that decision.

Disclosure Document: 18

The Bottinis asserted a third-party claim against Morgan Fuel, which in turn asserted a fourth-party claim against MFG, Market Services and Steven Bellino (an MFG employee) in the arbitration proceeding commenced by Market Services. A motion to stay the fourth-party was also denied and MFG has appealed that decision as well. It is difficult at this stage to determine exposure, if any.

On December 12, 2008, MFG settled three CME Group disciplinary actions involving allegations that on a number of occasions in 2006 and 2007, MFG employees engaged in impermissible pre-execution communications in connection with trades executed on the e-cbot electronic trading platform, withheld customer orders that were executable in the market for the purpose of soliciting, and brokering contra-orders and crossed orders on the e-cbot trading platform without allowing for the minimum required exposure period between the entry of the orders. MFG was also charged with failing to properly supervise its employees in connection with these trades. Without admitting or denying any wrongdoing, MFG consented to an order of a CME Business Conduct Committee Panel which found that MFG violated legacy CBOT Rule 504.00 and Regulations 480.10 and 9B.13 and 9B.13(c) and ordered MFG to pay a \$400,000 fine, cease and desist from similar conduct and, in consultation with CME Market regulation Staff, enhance its training practices and supervisory procedures regarding electronic trading practices.

MFG acts only as clearing broker for the futures accounts to be traded pursuant to this Memorandum and as such is paid commissions for executing and clearing trades. MFG has not passed upon the adequacy or accuracy of this Memorandum and will not act in any supervisory capacity with respect to the General Partner of the commodity pool or to the Commodity Trading Advisor, as the case may be, nor participate in the management of the General Partner or of the commodity pool or of the Trading Advisor. Therefore, prospective investors should not rely on MFG in deciding whether or not to participate in the commodity pool or the trading program of the Trading Advisor. None of the settlements referenced above will materially affect MFG or its ability to perform as a clearing broker.

To provide more efficient execution of clients' orders, JJL may place orders for execution through an executing broker, which will later "give up" such orders to a client's FCM. JJL can make no assurances that the use of an executing broker will lead to more efficient executions and, accordingly, does not assume any financial liability for losses or errors caused by the executing broker. Clients pay all "give up" fees. JJL's Principal and/or its employees may be compensated in part by "give up" fees in connection with their roles as brokers with The Price Group. See Conflicts of Interest for more information about broker compensation.

The FCM, and not JJJ, will have custody of your funds and will furnish you with confirmations of all transactions in your account, monthly statements showing information about trading activities in your account, and other accounts statement customarily furnished by the FCM to its customers. The furnishing of such reports shall be the sole responsibility of the FCM, and JJJ, is not required to furnish these reports to you. You must authorize the FCM to forward to JJJ copies of all confirmations, statements, or reports sent by the FCM to you.

Disclosure Document: 19

You are responsible for negotiating the commissions charged to your account by your broker. Fees are deducted directly from your brokerage account. You authorize the FCM to remit directly to JLL payment of JLL's incentive and management fees.

Switching Between Programs

A client may at any time request that their account balance be transferred from one JLL program to another. Upon receiving and confirming the request in writing, JLL will exit any existing positions in the current program in an orderly manner. Positions in the new program will be initiated either on the next new trade entry or prior to that point if a more favorable price can be obtained on the entry of the current trade.

Withdrawal of Capital

A client should view the funds placed at JLL as a long-term investment with the objective of seeking capital appreciation over time. Nevertheless, JLL must be notified if a client wishes to withdraw funds. A client may not reduce the funding level below the minimum starting balance and continue to trade, unless he or she has completed the necessary notional funding forms. After a partial withdrawal the number of contracts will be adjusted on the next trade to conform to the new funding level.

If an account has lost money, such that the account has incurred a "carry-forward loss," then the amount of the carry-forward loss will be reduced in direct proportion to the amount withdrawn. For example, if the funding level is reduced by 20%, then the carry-forward loss will be reduced by 20%. The Advisory Fee & Other Expenses section provides more details about the carry-forward loss.

If a client wishes to discontinue JLL's trading of their account, he or she should notify JLL immediately in writing. Clients may use any form of writing to notify JLL (email, postal mail or fax), but the termination request will not be considered received until an acknowledgement is returned to the client. JLL will not be held responsible for delays or errors in transmission of termination notifications, no matter what the medium. It is suggested that the client contacts JLL by phone to confirm receipt of the termination request.

JLL, upon the receipt of the request, will ensure that no new positions are taken for that account. Any existing positions will be offset in a reasonable and orderly manner. Once offset, the firm will calculate any fees due and generate an invoice if needed. Any outstanding fees must be sent to JLL before the account can be closed at the client's FCM.

Advisory Fees & Other Expenses

In compensation for its trading services, JLL charges two kinds of fees; management fees and incentive fees. The management fee is assessed regardless of the performance of the account. The incentive fee is assessed only against accumulated profits as described below.

Disclosure Document: 20

Management Fee

JJL charges a management fee of one sixth of one percent (2% annually) on the account's month end assets before the deduction of current management and incentive fees. Net assets are defined as the total assets of the account, including all cash and cash equivalents, accrued interest, the amount of notional or committed funds (if any), the market value of all open futures interest positions, and all other assets of the account, less accrued commissions payable. The initial management fee will be prorated from the date of the first trade.

Incentive Fee

JJL charges an incentive fee in the amount of 20% of each month's Trading Profits, as described below. JJL will invoice the account each month, if the accrued incentive fee is positive.

Trading Profits during a calendar month are determined as follows:

1. Add, the net of profits and losses resulting from all commodity trades closed during such month;
2. Plus, the net of any profits and losses resulting from all trades open as of the end of such month;
3. Plus, the net of any accrued interest from the FCM, T-Bill purchases or other sources;
4. Minus, any profits and losses carried forward on open commodity trades from the preceding month;
5. Minus, the account's "carryforward loss" (as described below), if any, as of the beginning of the month.

Carryforward loss is considered to be a net negative result for a given month. Net losses to an account are carried forward to subsequent months until that loss has been reclaimed by positive results.

JJL will reduce the carryforward loss in the same proportion as any withdrawal of notional funds by the client. For example, if the notional funding level is reduced by 20%, then the carryforward loss will be reduced by 20%.

JJL, or an authorized accounting agent, will invoice the client's FCM for monthly fees. JJL will not invoice the client directly. The FCM shall be authorized to pay JJL directly from the account, per the monthly invoice. The client agrees to assure payment to JJL of applicable fees within ten business days after the invoice is submitted to the FCM.

Give-Up Fees

If an account is held at an FCM other than JJL's broker, it may be subject to a "give-up" fee. This fee typically averages around \$3 per round turn, per contract.

Disclosure Document: 21

Third Party Fees

Each time a trade is taken, a fee is assessed by the broker per contract traded. These fees include commissions, exchange fees for various kinds of services, and fees imposed by regulatory agencies. JLL does not control any aspect of these fees, with the exception accounts placed with The Price Group. Also, we reserve the right to reject accounts from an FCM or IB if the commission rate exceeds what we consider to be a reasonable level

The minimum investment size and account fee structure for each JLL program are subject to the sole discretion of JLL. An account is not considered open and fees are not assessed until the date of the first trade.

Principal Risk Factors

In addition to the risks disclosed at the beginning of this Disclosure Document, prospective clients should consider the following risks before opening an account with JLL.

Trading of Commodity Interests is Speculative and Volatile

Prices in any and all commodity futures markets can be highly volatile. Price movements of commodity futures contracts are influenced by, among other things, changing supply and demand relationships, governmental trade programs and policies, and national and international political and economic events. Financial instrument and foreign currency futures prices are influenced by, among other things, interest rates, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions and currency devaluations and revaluations. The advisor has no control over these factors. No assurance can be given that JLL's speculative trading will result in profitable trades or that JLL will not incur substantial losses to client accounts. Past performance is not necessarily indicative of future results. In fact, JLL believes that past performance should never be the sole factor used to determine the suitability of a method, nor its likely performance in the future.

Futures trading is Highly Leveraged

The low margin deposits normally required in commodity interest trading (typically between 2% and 15% of the value of the contract) permit an extremely high degree of leverage. Accordingly, a relatively small price movement may result in immediate and substantial losses to the investor. Like other leveraged investments, any trade may result in losses in excess of the amount invested.

JLL estimates that under normal conditions and system function, between 9% and 15% of an account's notional funding level will be committed to margin.

Markets may be illiquid

Some United States commodity exchanges limit fluctuations in certain commodity interest prices during a single day by imposing what are known as "daily price fluctuation limits" or "daily limit." The existence of daily limits may reduce liquidity or effectively

Disclosure Document: 22

curtail trading in particular markets. Once the price of a particular contract has increased by the daily limit, it is likely that no new long positions may be added or existing short positions liquidated. Conversely, once the price of a particular contract has decreased by the daily limit, it is likely that no new short positions may be added or existing longs liquidated.

Contract prices in various commodities have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent JLL from promptly liquidating unfavorable positions and subject clients to substantial losses which could exceed the margin initially committed to such trades. Daily limits may reduce liquidity, but they do not limit ultimate losses, as such limits only apply on a day-to-day basis. In addition, even if contract prices have not moved the daily limit, JLL may not be able to execute trades at favorable prices if there is only light trading in the contracts involved.

As part of its emergency powers, an exchange or the CFTC can suspend limit trading in a particular contract, or immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Trading of Commodity Options involves Certain Risks

Options on futures contracts have been approved by the CFTC for trading on U.S. exchanges. Each option is a right, purchased for a certain price (premium), to either buy or sell the underlying futures contract during a certain period of time for a fixed price. JLL may engage in the trading of options for any of its trading programs.

Although successful option trading requires many of the same skills as do successful futures contract trading, the risks involved are somewhat different. For example, if JLL on behalf of a customer buys an option (either to sell or buy a futures contract or commodity), the customer will be required to pay a “premium” representing the market value of the option. Unless the price of the futures contract or commodity underlying the option changes and it becomes profitable to exercise or offset the option before it expires, the customer may lose the entire amount of the premium. Conversely, if JLL, on behalf of a customer, sells an option (either to sell or buy a futures contract or commodity), the customer will be credited with the premium but will have to deposit margin with the customer’s FCM due to the customer’s contingent liability to deliver or accept the futures contract in the event the option is exercised. Traders who sell options are subject to the entire loss which occurs in the underlying futures contract or commodity (less premium received). The ability to trade in or exercise options may be restricted in the event that trading in the underlying futures contract becomes restricted.

Failure of Brokerage Firm or Futures Exchange

Brokerages are required by the CFTC to maintain customers’ assets in a segregated account. If the broker holding a client’s account fails to do so, the deposited funds may not be fully protected in the event of the broker’s bankruptcy. In addition, substantial losses by another client at the brokerage may place the deposited funds at risk of loss. In the case of any such bankruptcy or customer loss, the client may recover none or only a pro rata share of all property available for distribution to all of the broker’s customers.

Disclosure Document: 23

This includes any property specifically traceable to the client, such as US Treasury bills or securities.

In the event of the bankruptcy of an exchange or an affiliated clearing house, you may experience a loss of funds deposited through your broker as margin with the exchange or affiliated clearing house, a loss of unrealized profits on your open positions, and the loss of funds owed to you as realized profits on your closed positions. Such a bankruptcy may also cause a substantial delay before you could obtain the return of funds owed to you by a broker who was a member of such an exchange or affiliated clearing house.

Concentration Risk

Both JJL programs, Maple Sugar and Big ED, trade only one or two markets. This concentration in a narrow group of markets represents a concentration risk as opposed to programs that trade a wide cross section of futures contracts. In Big ED, execution concentration risk is reduced by trading 2 or 3 different contract months.

Trading on Futures Exchanges outside the United States; Currency Risk

JJL engages in trading on futures exchanges outside the United States in some situations. Trading on such exchanges is not regulated by any US government agency and may involve certain risks not acceptable to trading on US exchanges. The extent and nature of regulations intended to protect customer funds and enhance market stability and solvency may vary considerably among the countries where such exchanges and clearing houses are located. You should consult with your FCM or introducing broker to understand these and other risk associated with trading on non-US exchanges.

Special Disclosure for Notionally-Funded Accounts

A notional account trades as if its balance were greater than the actual liquid value of the account. If a prospective client is considering a notionally-funded account for JJL to manage, he or she must read the following additional disclosure:

Note: JJL highly recommends that all clients, fully funded and notional, consult account statements received from their FCM.

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" or "notional" account size) is not the maximum possible loss that your account may experience.

Disclosure Document: 24

For management fee purposes, notional accounts are charged on the net assets, defined as the total assets of the account, including all cash and cash equivalents, accrued interest, the amount of notional or committed funds (if any), the market value of all open futures interest positions, and all other assets of the account, less accrued commissions payable.

Additions of cash and net positive performance to your account will decrease your leverage, while withdrawals of cash and negative net performance will increase your leverage.

It is important for clients to be aware that the CTA fees will impact notionally funded accounts more significantly on a percentage basis versus fully funded accounts. For example, if a client chose to fund a notional account at 50% of its fully funded level, the CTA management fee of 2% of the fully funded level will end up being 4% of the notional account equity.

You should consult with your Futures Commission Merchant in order to determine the actual activity in your account, including profits, losses and current cash equity balance. To the extent that the equity in your account is at any time less than the nominal account size you should be aware of the following:

1. Although your gains and losses, fees and commissions measured in dollars will be the same, they will be greater when expressed as a percentage of account equity.
2. You may receive more frequent and larger margin calls.
3. The funding matrix below may be used to convert the rates-of-return (RORs) in the program section to the corresponding RORs for particular funding levels.

Funding Matrix for Notionally-Funded Accounts

The Matrix below enables a prospective customer to complete any indicated fully funded rate-of-return (ROR) to an equivalent ROR at various funding levels. For example, if the Actual Rate of Return is 20%, and the Fund Level is 75%, then the rate of return experienced by the account is 26.67%.

Actual Rate of Return	Rates of Return Based on Various Funding Levels (%)				
20.00	20.00	26.67	40.00	60.00	80.00
10.00	10.00	13.33	20.00	30.00	40.00
5.00	5.00	6.67	10.00	15.00	20.00
0.00	0.00	0.00	0.00	0.00	0.00
-5.00	-5.00	-6.67	-10.00	-15.00	-20.00
-10.00	-10.00	-13.33	-20.00	-30.00	-40.00
-20.00	-20.00	-26.67	-40.00	-60.00	-80.00
	100.00	75.00	50.00	33.00	25.00

Funding Level %

Disclosure Document: 25

Privacy Policy

John J. Lothian & Company, Inc. is providing this statement of our Privacy Policy to help you understand how we protect the privacy of financial and other non-public information about you.

Information we collect

We collect non-public information from you from the following sources:

- Information we receive from you on the advisory agreement and other documents you complete in connection with authorizing John J. Lothian & Company, Inc. to direct trading in your account

Categories of Information We Disclose

We do not disclose any non-public personal information about our clients or our former clients to anyone, except as permitted by law.

Confidentiality and Security

We restrict access to non-public personal information about our clients to those employees who need to know that information in order to provide service to you. We maintain physical and procedural safeguards that comply with federal standards to safeguard your non-public personal information.

Investment Programs & Performance

Maple Sugar



Program Description – Smaller, Uncorrelated Markets Program

Markets Traded: Sugar #11, Canadian Dollar

JJL's Maple Sugar program trades futures contracts on two markets: Canadian Dollar and Sugar #11. The Sugar #11 contract is based upon the price of raw cane sugar grown throughout the world and is traded at the ICE Futures US, formerly the New York Board of Trade. The world's sugar supply circles the globe and includes such growing nations as Thailand, Zimbabwe, Brazil and the United States.

The price of the Sugar #11 contract is affected by a host of factors, including geopolitical strife, climate conditions, global ethanol production and local infrastructure in growing nations.

Maple Sugar trades Canadian Dollar futures on the Chicago Mercantile Exchange. The program trades both the Canadian Dollar futures quoted in U.S. dollars per Canadian Dollar and the CME's FX Micro Canadian Dollar futures which trade in Canadian Dollars per U.S. dollar. The FX Micro Canadian Dollar futures are 1/10 the size of the traditional full-sized contract and allow JJL to better manage position size risk during more volatile market conditions.

The Canadian Dollar contract trades on the Chicago Mercantile Exchange and is quoted in U.S. dollars per Canadian dollar.

The contract's price is ever-changing; global events, domestic and international economic conditions and the price of other currencies constantly direct and redirect the market.

The two markets were chosen because they fulfilled a few simple requirements. First, when the program was created, the two markets were not correlated fundamentally. Second, the markets behave differently, which stresses different strengths within JJL's program's core trading method. Third, the small contract size in each market made it possible to offer the program with a small account minimum of \$35,000.

The program is also inherently more conservative than other offerings by JJL, as it only risks 4.75% of an account's capital at any one time. The Maple Sugar program spreads its risk across two dynamic markets, providing a better distribution of risk and return than single market trading programs.

Past Performance Is Not Necessarily Indicative of Future Results

Investment Programs

Big ED



Program Description – Single Market, Short-Term Interest Rate Program

Market Trade: Eurodollars

JJL's Big ED program trades the Eurodollar contracts on the Chicago Mercantile Exchange at the CME Group. Eurodollars are U.S. Dollar deposits in commercial banks outside the U.S. that are often used as a benchmark interest rate for corporate funding.

The Big ED program seeks to profit from short- to intermediate-term trends as interest rates fluctuate, while minimizing losses during periods of market volatility. It is designed as an aggressive program and sets its per-trade risk ceiling at 6%, which is higher than the Maple Sugar program. The minimum account size for Big ED is \$15,000.

The single-market focus and the higher risk level create a more potent program that – given normal market circumstances – should produce larger gains along with the anticipated larger draw-downs than Maple Sugar.

Past Performance Is Not Necessarily Indicative of Future Results

Disclosure Document: 28

Performance History – Maple Sugar



Name of the CTA: John J. Lothian & Company, Inc.

Name of Trading Program: Maple Sugar

Inception of Trading by CTA: December 2004

Inception of Trading in Offered Program: December 2004

Number of accounts currently traded pursuant to the program as of December 1, 2009: 4

Total Nominal assets under management as of December 1, 2008: \$ \$347,803.62

Total Nominal assets trader pursuant to the program as of December 1, 2009:
\$182,639.89

Largest Monthly Drawdown: -6.40 (March 2005)

Worst peak-to-valley draw-down: -17.20 (January 2005 to September 2005)

Number of profitable accounts that have opened and closed: 1

Range of returns experienced profitable accounts: +36.66%

Number of losing accounts that have opened and closed: 1

Range of returns experienced by unprofitable accounts: -2.63%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Month	2004	2005	2006	2007	2008	2009
January		9.35%	-2.32%	1.13%	-1.57%	-1.01%
February		-5.99%	2.05%	-2.92%	-0.40%	-1.96%
March		-6.40%	0.98%	-1.62%	1.66%	-2.33%
April		-1.02%	12.85%	1.71%	3.14%	-1.76%
May		2.33%	4.05%	-4.91%	-1.18%	0.00%
June		-1.90%	1.94%	0.65%	-0.74%	0.00%
July		-4.02%	-4.83%	-0.11%	1.58%	0.00%
August		2.48%	-1.22%	-5.69%	6.58%	-0.77%
September		-3.71%	1.97%	-1.17%	2.49%	0.00%
October		0.82%	2.37%	-1.13%	1.61%	0.00%
November		5.92%	-3.89%	-1.33%	0.00%	1.53%
December	21.45%	1.14%	4.65%	7.39%	0.76%	

Annual	21.45%	-2.21%	18.94%	-8.29%	14.56%	-6.18%
--------	--------	--------	--------	--------	--------	--------

Past Performance Is Not Necessarily Indicative of Future Results

Disclosure Document: 29

Performance History – Big ED



Name of the CTA: John J. Lothian & Company, Inc.

Name of Trading Program: Big ED

Inception of Trading by CTA: December 2004

Inception of Trading in Offered Program: December 2004

Number of accounts currently traded pursuant to the program as of December 1, 2009: 4

Total Nominal assets under management as of December 1, 2008: \$347,803.62

Total Nominal assets trader pursuant to the program as of December 1, 2009: \$165,163.73

Largest Monthly Drawdown: -11.33% (April 2006)

Worst peak-to-valley draw-down: -20.55 % (September 2005 to April 2006)

Number of profitable accounts that have opened and closed: 1

Range of returns experienced profitable accounts: +5.06%

Number of losing accounts that have opened and closed: 3

Range of returns experienced by unprofitable accounts: -7.70% to -14.75%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Month	2004	2005	2006	2007	2008	2009
January		-6.82%	-2.00%	1.65%	23.80%	2.34%
February		8.50%	0.52%	6.88%	-3.79%	0.54%
March		1.19%	-8.21%	-4.41%	-2.17%	-2.34%
April		7.03%	-11.33%	4.36%	9.37%	-0.05%
May		-0.85%	3.62%	3.56%	-2.59%	-0.68%
June		-1.28%	2.73%	0.81%	0.01%	1.77%
July		2.02%	-3.85%	-0.96%	-4.76%	-0.05%
August		0.75%	-2.04%	1.71%	-3.10%	0.00%
September		3.72%	0.91%	2.01%	-3.28%	0.00%
October		-1.57%	3.91%	-9.78%	-0.03%	0.00%
November		1.54%	-4.13%	-1.50%	-0.08%	0.00%
December	-8.13%	-0.86%	5.97%	-3.16%	-0.36%	
Annual	-8.13%	13.23%	-14.36%	0.05%	10.30%	1.46%

Past Performance Is Not Necessarily Indicative of Future Results

Disclosure Document: 30

Glossary

The following works or phrases may help review our programs and their performance. If additional questions arise, please do not hesitate to contact JLL. Contact information may be found on the front of this document.

Assets Under Management in a program is the aggregate amount of total equity, including “notional” equity under management, unless otherwise noted.

Closed Accounts is the number of accounts directed by JLL pursuant to the investment program shown which have closed in the period indicated.

Drawdown is accumulated losses experienced by an account over a specified period.

Largest monthly drawdown is the worst loss experienced by all accounts traded in a specific program over a specified period.

Open Accounts is the number of accounts directed by JLL pursuant to the investment program shown as the date indicated.

Worst peak-to-valley drawdown is the greatest cumulative percentage decline in month-end asset value for all accounts traded due to losses during a period in which the initial month-end asset value is not equaled or exceeded by a subsequent month-end net asset value.

Monthly Rate of Return (only accounts traded method) OAT method calculates the monthly ROR in the conventional manner of dividing the net performance by the beginning nominal asset value, except that accounts that traded for only part of the month or witnessed "material" additions/withdrawals during the months would be excluded from the calculations.