ANCILE CAPITAL MANAGEMENT, LLC

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DISCLOSURE DOCUMENT

1 September 2010

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.

FUTURES 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 COMMODITIES 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 COMMODITIES 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 PAGES 10 AND 11, 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 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 2 THROUGH 9.

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 TRANSACTION 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.

FOREX RISK DISCLOSURE STATEMENT

THE RISK OF LOSS IN FOREX TRADING 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 ALSO BE AWARE OF THE FOLLOWING:

- **FOREX TRANSACTIONS ARE NOT TRADED ON AN EXCHANGE, AND THOSE FUNDS DEPOSITED WITH THE COUNTERPARTY FOR FOREX TRANSACTIONS MAY NOT RECEIVE THE SAME PROTECTIONS AS FUNDS USED TO MARGIN OR GUARANTEE EXCHANGE-TRADED FUTURES AND OPTIONS CONTRACTS. IF THE COUNTERPARTY BECOMES INSOLVENT AND YOU HAVE A CLAIM FOR AMOUNTS DEPOSITED OR PROFITS EARNED ON TRANSACTIONS WITH THE COUNTERPARTY, YOUR CLAIM MAY NOT RECEIVE A PRIORITY. WITHOUT A PRIORITY, YOU ARE A GENERAL CREDITOR AND YOUR CLAIM WILL BE PAID, ALONG WITH THE CLAIMS OF OTHER GENERAL CREDITORS, FROM ANY MONIES STILL AVAILABLE AFTER PRIORITY CLAIMS ARE PAID. EVEN CUSTOMER FUNDS THAT THE COUNTERPARTY KEEPS SEPARATE FROM ITS OWN OPERATING FUNDS MAY NOT BE SAFE FROM THE CLAIMS OF OTHER GENERAL AND PRIORITY CREDITORS.**

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

- **MANAGED ACCOUNTS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES AND THE ACCOUNT MAY NEED TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETING OR EXHAUSTING ITS ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE ACCOUNT MANAGER (SEE PAGES 10 AND 11).**

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND SIGNIFICANT ASPECTS OF THE FOREX MARKETS. THEREFORE, YOU SHOULD CAREFULLY REVIEW THIS DISCLOSURE DOCUMENT BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT (SEE PAGES 2 THROUGH 9).

NATIONAL FUTURES ASSOCIATION HAS NEITHER PASSED UPON THE MERITS OF PARTICIPATING IN THIS TRADING PROGRAM NOR THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.

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.

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INTRODUCTION

This Disclosure Document is dated 1 September 2010. Delivery of this Disclosure Document does not imply that the information contained herein is correct as of any time subsequent to that date. Further, this Disclosure Document may not be used or relied on by any investor opening an account with Ancile Capital Management, LLC, a Delaware limited liability company ("ACM"), more than nine months past that date. Futures, forward and option contract trading is speculative in nature, involves a high degree of risk, and is not suitable for all investors. An investor should consult his or her financial and tax advisers before opening a managed futures account. No person is authorized by ACM to give any information or to make any representation not contained herein.

BUSINESS BACKGROUND

Ancile Capital Management, LLC

ACM was formed on 26 March 2003 for the purpose of engaging in business as a Commodity Trading Advisor. ACM was registered with the Commodity Futures Trading Commission as a Commodity Trading Advisor and Commodity Pool Operator on 24 November 2003. ACM also became a member of the National Futures Association on that date. ACM was inactive from 26 March 2003 through 24 November 2003.

The main business office for ACM is located at 150 Franklin Street, 5th Floor, New York, NY 10013. ACM's main business telephone number is 212-431-4638. ACM's fax number is 212-431-4639.

Performance for all accounts directed by ACM may be found on pages 13 and 14 of this document.

Neal Stevens – ACM Principal

Professional History

Neal Stevens is the sole principal and chief executive officer of ACM. He was registered with the Commodity Futures Trading Commission as a Principal and an Associated Person of ACM on 24 November 2003. He also became an associate member of the National Futures Association on that date. From December 2002 through November 2003, Mr. Stevens worked to found and establish ACM, engaging in research, proprietary trading, marketing and legal and administrative activity necessary to build ACM's business.

Mr. Stevens is also an attorney licensed to practice law in New York. From September 2008 through present, he has been an "of Counsel" lawyer with the Chicagobased law firm Schuyler Roche & Crisham, P.C. His practice with the firm focuses in the commodity futures area. Mr. Stevens was admitted to practice law in New York in 1999 and in the United States District Court for the Southern District of New York and the United States District Court for the Eastern District of New York in 2009. He is a member of the New York City Bar Association.

From March 2001 through December 2002, Mr. Stevens was an associate attorney in the tax department of the New York office of Clifford Chance US, LLP, a large international law firm. From September 1998 through March 2001, he was an associate attorney in the tax department of Kronish Lieb Weiner & Hellman, LLP, a mid-sized New York law firm.

Mr. Stevens graduated from Colgate University with a B.A. degree in 1993. In 1997, Mr. Stevens received a J.D. degree, *cum laude*, from the University of Wisconsin Law School. In 2000, he received an LL.M. degree in Tax Law from New York University Law School.

BROKERAGE RELATIONSHIPS

Clients are free to choose the Futures Commission Merchant with which they will maintain their accounts, and a separate Introducing Broker, if any. ACM reserves the right to approve or disapprove of the client's choices. ACM may use any relevant criteria to make this decision, including the Merchant's or Broker's reputation, proposed fee structure or business methodologies.

PRINCIPAL RISK FACTORS

ACM directs the trading for customers in futures, options on futures and in the retail off-exchange foreign currency market ("forex") (such contracts are referred to collectively as "futures" and trading in them as "futures trading"). Some of these contracts are traded on public exchanges located in the U.S., but others are traded on foreign exchanges or in an over-the-counter market. Before investing in futures, prospective clients should consult their financial advisor to inform themselves fully on futures trading and to determine if such trading is suitable for their investment needs. Futures trading involves many risks. Prospective clients should review this section and the entire Disclosure Document to become familiar with some of the more significant risks.

Market Risks

Futures Trading is Speculative and May be Volatile

ACM's futures trading program is speculative and the futures contracts ACM trades may be quite volatile. Such volatility, combined with the high degree of leverage available for futures trading, can cause large and sudden losses of capital and may result in the total loss of your investment. In particular, a sharp volatility increase in one or more markets may lead to large losses if the market simultaneously moves against your position.

Availability of Relatively High Leverage

Because the amount of margin funds necessary to be deposited in order to enter into a futures position is typically about 0.3% to 10% of the total value of the contract, ACM has the ability to put on positions with face values equal to several times the net asset value of a client's account. The ratio of margin to equity is typically about 12%, but can range from 0% to 50%. As a result of this leveraging, even a small movement in the price of a contract can cause major losses.

Options on Futures Traded by ACM Are Speculative and Highly Leveraged

ACM may trade options on futures. Such trading involves risks similar to ACM's futures trading in that it is speculative and ACM has the opportunity to employ relatively high leverage. The buyer of an option risks losing the entire purchase price (the premium) of the option. The writer (seller) of an option risks losing the difference between the premium received for the option and the price of the commodity or futures contract underlying the option which the writer must purchase or deliver upon exercise of the option (which losses can be unlimited). Specific market movements of the futures contracts underlying an option cannot be accurately predicted.

Your Investment Could be Illiquid

At times, poor market liquidity will mean that futures positions cannot be liquidated at or close to the desired price. This happens periodically when markets are thinly traded (i.e., there are a relatively small volume of buy and sell orders), and/or when extraordinary events occur that lead to historical pricing relationships being materially distorted. At such times, excess "slippage" will lead to larger losses than normal, or ACM will be unable to execute trades at all. Such circumstances may lead to dramatic losses for a client's account, to a client's account being required to maintain a losing position that it would otherwise exit, or to a client's account being unable to establish a position that would have been a profit opportunity.

Forward Transactions are Over-the-Counter, are Not Regulated and are Subject to Credit Risk

Forward contracts are typically traded over-the-counter through a dealer market, which is dominated by major money centers and investment banks, and are not regulated by the CFTC. Thus, investors do not receive the protection of CFTC regulation or the statutory scheme of the Commodity Exchange Act in connection with such trading activity. The market for forward contracts relies upon the integrity of market participants in lieu of the additional regulation imposed by the CFTC on participants in the futures markets. This regulation includes, for example, trading practices and other customer protection requirements, and minimum financial and trade reporting requirements. The absence of regulation could expose a client's account to significant losses in the event of trading abuses or financial failure by participants in the forward markets which it might otherwise have avoided. Also, a client's account faces the risk of non-performance by its counterparties to forward contracts and such non-performance may cause some or all of its gains to remain unrealized.

A substantial portion of client assets are on deposit with financial institutions. In the event of a financial institution's insolvency, it is possible that the client could lose all assets on deposit with the financial institution.

An Investment in Managed Futures May Not Diversify an Overall Portfolio

Historically, the performance of some managed futures investments have been generally non-correlated or negatively correlated to the performance of large capitalization U.S. stocks. Non-correlation means that there is no statistically valid relationship between the past performance of two investments. Negative correlation means that the performance of two investments are opposite each other. Positive correlation means that the performance of two investments are the same as each other.

Many investors in stocks and other assets may invest in managed futures investments hoping to gain diversification benefits from the non-correlation or negative correlation of the managed futures investment. However, it is possible that a managed futures investment such as ACM's program may actually become positively correlated to the investor's other investments and thus amplify the losses realized by the investor's portfolio instead of providing diversification benefits. This may occur, for instance, if ACM's program has long positions in stock index futures contracts during a stock market collapse, if ACM's program has long positions in interest rate futures contracts during a bond market collapse, or if other positions it has become correlated to the stock or bond markets.

Trading Risks

ACM 's Investment Approach May Fail in the Future

No assurance can be given that ACM's methods will be successful in the future, or that investment results of a client's account will be similar to those achieved by ACM in the past.

Trading Strategies Involve Discretionary and Proprietary Methods

Because ACM's trading strategies are discretionary and proprietary, a client will not be able to determine the full details of the decision-making process or whether it is being followed.

Trades May be Executed at Different Prices for Different Accounts

The trading methodology used by ACM identifies certain times when it believes it is important to make a trade either to take advantage of a perceived profit opportunity, to close a position that represents a perceived risk, or to adjust position size for risk management purposes. Once ACM determines it should make a trade, ACM attempts to execute the trade for all accounts at the best price possible. Trades may be executed at different times for different accounts. There is no guarantee that every client account will receive a trade at a similar price to those received by other accounts. Frequently, different trades will be required for different accounts as a result of varying account equity levels and fine tuning of position sizing for risk management purposes, so that some accounts will receive different trades than other accounts. Occasionally, some account will receive long trades while other accounts receive short trades in the same contract, as ACM works to bring accounts with different equity levels as close as possible to ideal position sizes in each market.

Increase in Assets Under Management May Make Profitable Trading More Difficult

ACM has not agreed to limit the amount of additional equity which it may manage, and is actively engaged in raising assets for existing and new accounts. Should the amount of equity ACM manages increase, it may be more difficult for ACM to trade profitably because of the difficulty of trading larger positions without adversely affecting prices and performance. Accordingly, such increases in equity under management may require ACM to modify its trading decisions, which could have a detrimental effect on a client's investment. Such considerations may also cause ACM to eliminate smaller markets from trading, reducing the range of markets in which trading opportunities may be pursued. ACM reserves the right to reduce account size by returning assets or profits to clients in an effort to control account growth. In addition, ACM may have an incentive to favor other accounts because the compensation received from some other accounts may exceed the compensation it receives from certain other accounts. Because records with respect to other accounts are not accessible, an investor will not be able to determine if ACM is favoring other accounts.

Speculative Position Limits May Alter Trading Decisions

The CFTC has established limits on the maximum net long or net short positions that any person may hold or control in certain futures contracts. Some exchanges also have established such limits. All accounts controlled by ACM are combined for speculative position limit purposes. If positions in those accounts were to approach the level of the particular speculative position limit, such limits could cause a modification of ACM's trading decisions or force the liquidation of certain futures positions. Either of these actions may not be in the best interests of the investors.

Performance May Vary From Other Accounts During the Start of Trading

A client's account may incur certain risks relating to the initial investment of its assets. Due to market conditions, ACM may take several days or even weeks or months before a client's account is fully invested. Notwithstanding any delay in becoming fully invested, a client's account may commence trading operations at an unpropitious time, such as after sustained moves in a number of markets.

Tax Risks

THE FOLLOWING DISCUSSION IS INTENDED MERELY TO PRESENT AN OVERVIEW OF SOME POTENTIAL U.S. FEDERAL INCOME TAX RISKS THAT MAY AFFECT SOME CLIENTS. IT IS NOT INTENDED TO DISCUSS ALL MATERIAL TAX ISSUES THAT MAY AFFECT ALL CLIENTS. ACM STRONGLY ENCOURAGES EACH PROSPECTIVE CLIENT TO CONSULT AND DEPEND UPON THE ADVICE OF HIS OR HER OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF PARTICIPATING IN ACM'S TRADING PROGRAM.

Character of Income

A portion of a client's income or loss from ACM's trading may qualify under Section 1256 of the Internal Revenue Code of 1986, as amended (the "Code"), to be marked-to-market for Federal income tax purposes and to be treated as 60% long-term capital gain or loss and 40% short-term capital gain or loss. However, some of the client's income or loss, including that from trades in futures contracts traded on foreign exchanges and in over-the-counter foreign currency contracts, may not so qualify under Section 1256.

Fees May Be Characterized as "Investment Advisory Fees"

The Code provides that investment advisory fees are to be aggregated with unreimbursed employee business expenses and other expenses of producing income, collectively "aggregate investment expenses," and the aggregate amount of such expenses will be deductible only to the extent that such amount exceeds 2% of a taxpayer's adjusted gross income. In addition, aggregate investment expenses in excess of the 2% threshold, when combined with certain other deductions, are subject to a reduction generally equal to 3% of the taxpayer's adjusted gross income in excess of a threshold amount. Such limitation could substantially reduce the deductibility for federal income tax purposes on any amount deemed to constitute "investment advisory fees." The management and performance fees payable to ACM may be characterized as investment advisory fees subject to the above limitation. **EACH CLIENT, THEREFORE, COULD PAY TAX ON MORE THAN THE NET PROFITS GENERATED IN THEIR ACCOUNT.**

Other Risks

Foreign Futures Are Not Subject to U.S. Regulation, But Are Subject to Foreign Market, Credit, Regulatory and Exchange Risks

The risk of loss in trading foreign futures contracts can be substantial. Participation in foreign futures transactions involves the execution and clearing of trades on or subject to the rules of a foreign board of trade. Non-U.S. markets may not be subject to the same degree of regulation as their U.S. counterparts. A substantial portion of ACM's trades take place on markets or exchanges outside the United States. From time to time, as much as 0% to 100% of a client's overall market exposure could involve positions taken on foreign markets. None of the CFTC, NFA or any domestic exchange regulate activities of any foreign boards of trade, including the execution, delivery and clearing of transactions, nor do they have the power to compel enforcement of the rules of a foreign board of trade or any applicable foreign laws. Trading on foreign exchanges also presents the risks of exchange controls, expropriation, taxation and government disruptions.

The price of any foreign futures contract, and therefore the potential profit or loss thereon, may be affected by any variance in the foreign exchange rate between the time the order is placed and the time it is liquidated, offset or exercised. Certain foreign exchanges may also be in a more or less developmental stage so that prior price histories may not be indicative of current price dynamics. In addition, ACM may not have the same access to certain positions on foreign exchanges as do local traders, and the historical market data on which ACM bases its strategies may not be as reliable or accessible as it is in the United States. The rights of clients in the event of the insolvency or bankruptcy of a non-U.S. market or broker are likely to be more limited than in the case of U.S. markets or brokers.

The Futures Broker Could Fail

The Commodity Exchange Act generally requires a futures broker to segregate all funds received from customers from such broker's proprietary assets. If the futures broker fails to do so, a client's assets might not be fully protected in the event of the bankruptcy of the futures broker. Furthermore, in the event of the futures broker's bankruptcy, ACM's clients could be limited to recovering only a *pro rata* share of all available funds segregated on behalf of the futures broker's combined customer accounts, even though certain property specifically traceable to ACM's clients (for example, Treasury Bills deposited by ACM with the futures broker as margin) was held by the futures broker. It is possible that if such a bankruptcy occurred, clients could receive nothing at all. Furthermore, dealers in forward contracts are not regulated by the Commodity Exchange Act and are not obligated to segregate customer assets. As a result, you do not have such basic protection in forward contracts.

Proposed Regulatory Change is Impossible to Predict

The futures markets are subject to comprehensive statutes, regulations and margin requirements. In addition, the CFTC and the exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading. The regulation of futures transactions in the United States is a rapidly changing area of law and is subject to modification by government and judicial action. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in the currency markets and the need to regulate the "derivatives" markets in general. The effect of any future regulatory change on a client's account is impossible to predict, but could be substantial and adverse.

Forex Trading is Subject to Certain Additional Risks

ACM trades foreign exchange contracts in the retail off-exchange foreign currency market ("Forex"). These contracts are subject to certain additional risks, as described in the Forex Risk Disclosure Statement on pages iii and iv of this document. The portion of clients' assets invested in Forex and other off-exchange instruments will vary based on market conditions. Clients may at times be entirely invested in Forex and off-exchange instruments, but in general ACM will not exclusively use Forex and off-exchange instruments. ACM may trade major, minor and emerging market currencies in the Forex market. Examples of commonly traded major currencies that ACM may trade include the Australian dollar, British pound, Canadian dollar, the euro, the Swiss Franc, the Japanese yen, the Norwegian krone, the Swedish krona, the New Zealand dollar, and the U.S. dollar. ACM may also trade minor and emerging market currencies that have substantially less liquidity than the major currencies.

Non-Forex Forwards, Swaps, Hybrids and Other Derivatives Are Subject to Limited or no CFTC Regulation

ACM may also trade certain non-Forex derivative contracts in the over-counter market. ACM may trade in swap agreements, hybrid instruments and other off-exchange contracts for some clients. Swap agreements involve trading income streams such as fixed rate for floating rate interest or trading one delivery or settlement date for another. Hybrids are instruments that combine features of a security with those of a futures contract. There is no exchange or clearinghouse for these off-exchange contracts and they are subject to limited or no regulation by the CFTC. For this reason, to the extent to which ACM trades such unregulated instruments for clients' accounts, such clients will receive reduced or no protection from the CFTC's regulatory scheme.

The Performance Fee Could Be an Incentive to Make Riskier Investments

ACM employs speculative strategies and receives performance fees based on the trading profits earned by them. ACM would not agree to manage a client's account in the absence of such a performance fee arrangement. Accordingly, ACM may make investments that are riskier than might be made if the assets were managed by a trading advisor that did not require performance-based compensation.

Fees and Commissions May be Incurred Regardless of Profitability and are Subject to Change

A client's account may be subject to substantial charges payable irrespective of profitability, in addition to performance fees which may be payable based on an account's profitability. Included in these charges are brokerage fees. On forward and option trading, "bid-ask" spreads and prime brokerage fees may be incorporated into the pricing of forward and option contracts by the counterparties in addition to the brokerages fees paid. It is not possible to quantify the "bid-ask" spreads paid by the account because the profit its counterparty is making cannot be determined. Such spreads often are significant.

Potential Inability to Trade or Report Due to Systems Failure

ACM's strategies are dependent to a significant degree on the proper functioning of its internal computer systems. Accordingly, systems failure, whether due to third party failure upon which such systems are dependent, the failure of ACM's hardware or software, or such an event as an overwhelming natural disaster or act of terrorism or war, could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade (even for a short time) could, in certain market conditions, cause a client's account to experience significant trading losses or to miss opportunities for profitable trading. Additionally, such failures could also cause a temporary delay in reports to investors.

TRADING PROGRAM

Mr. Stevens directs ACM's Global Markets Program ("Trading Program") using his discretionary approach to trading. He developed his trading methods through years of analyzing computer models and trading systems and through his experiences trading in his proprietary and customer accounts. Mr. Stevens uses market data, including price action, volatility, interest rates, exchange rates, correlations between markets and other factors, in his decision-making process.

Mr. Stevens monitors U.S. and foreign futures and forward markets and options thereon and frequently takes positions in a large number of different markets simultaneously, although at times he may have just one or a few positions or he may take no position at all. The markets he trades include, but are not limited to, stock indexes, currencies, fixed income and interest rates, energies, agriculturals and softs, metals and materials, livestock and dairy, and G-10 and emerging market forex. He also trades options and spreads in and between such markets.

Mr. Stevens incorporates rigorous risk management into the Global Markets Program. In general, he monitors historical volatility and adjusts position size in an attempt to maintain a balanced and equal level of risk at all times.

ACM estimates that aggregate margin for all positions held in a client's account will range between 0% and 50% of the account's net assets. From time to time, margin commitments may be above this range. ACM foresees an average aggregate margin requirement of 15%.

At times, Mr. Stevens works to build up a substantial position in one or more individual markets. He may do this in a market with little liquidity. Building up such a substantial position may mean adversely moving the market during the process of opening the position and may mean that the market would be adversely moved, sometimes substantially so, if ACM needs to close the position in a short period of time.

MINIMUM INVESTMENT

Minimum investment for a new investor is 1,000,000 USD. ACM will accept notionally funded accounts.

FEES

Clients are required to execute a management agreement with ACM, which constitutes the full and complete understanding between the parties. Authorizations are executed by the client and furnished to their broker to empower ACM to make trades for the client's account and to collect fees for its services. The management agreement provides for a **monthly management fee** to be paid from the client's account regardless of whether the account is profitable, and a **quarterly performance fee** payable solely out of net new appreciation in the account's nominal account value. ACM is open to negotiating fees on a case by case basis. These standard fees are as follows:

A. The **monthly management fee** equals up to 1/12 of 2% of an account's Net Assets as of the end of each month, or up to 2% per annum, without reduction for any withdrawals from the account during such month or any performance fees payable as of such date.

For purposes of calculating the management fee, Net Assets shall mean total assets including all cash and cash equivalents, notional funds, accrued interest and the market value of all open positions maintained in the account less all liabilities of the account, inclusive of brokerage commissions on open trades, and shall be determined in accordance with accounting principles generally accepted in the United States of America under the accrual basis of accounting.

ACM may accept partially funded ("notional") accounts. The management fees charged to such an account shall be based on the nominal value (actual funds plus notional funding) of the account. Accordingly, the percentage of management fees charged on actual funds shall be determined by computing the management fees based on notional account funds and dividing by actual account funds. For example, if a client is charged a 2% management fee, a $50,000 account traded as a $100,000 account will be charged 2% of $100,000, or $2,000 annually. The percentage of management fees charged based on actual funds will then be computed by dividing $2,000 by $50,000 (the actual account size), which equals a management fee of 4%. If ACM accepts an account that contains no actual funds, and is only notionally funded (ie, a notionally funded account that that is co-margined with a master account that does contain actual funds), the management fee charged to the account will be based on the nominal value of the account.

B. The **quarterly performance fee** equals up to thirty percent (30%) of the Appreciation of an account's Net Assets during each calendar quarter. Appreciation, as used herein, means the excess (if any) of an account's Net Assets as of the end of any calendar quarter reduced by monthly management fees, over the highest level of the account's Net Assets as of the end of any prior quarter (or date the account commences futures trading, whichever date the account's Net Assets were higher), increased by additional capital contributed, but reduced by withdrawals, distributions and performance fees as of or subsequent to the date of such highest value of Net Assets of the account. If any payment shall have been made to ACM for Appreciation experienced in the client's account, and the account thereafter incurs a net loss for any subsequent quarter, ACM shall be entitled to retain performance fees previously paid on the account. However, no subsequent performance fee shall be paid to ACM until the account has again experienced net new Appreciation.

CONFLICTS OF INTEREST

ACM (or its principal) may act as a general partner or trading advisor to other commodity pools or to other trading accounts, all of which would compete with each other for ACM's services. ACM may receive higher advisory fees from some accounts than others. Thus, ACM could have a conflict of interest between its responsibilities to one client's account and to those pools or accounts, and may have an incentive for some accounts to outperform others. ACM, however, trades all its accounts within each portfolio in a substantially similar manner, given the differences in size and timing of the capital additions and withdrawals, and ACM believes it has sufficient resources to carry out its responsibilities in managing all client accounts in a fair manner.

ACM may find that futures positions established for the benefit of a particular account, when aggregated with positions in other accounts of ACM, approach the speculative position limits in a particular markets. ACM may decide to address this situation either by liquidating some accounts' positions in that futures contract and reapportioning the portfolio in other contracts or by trading similar contracts in other markets which do not have restrictive limits. In the event that ACM were required to liquidate positions as the result of speculative position limits, such liquidation would be done on a pro rata basis across all accounts under management.

The principal of ACM may trade futures and related contracts for his own account. As of the date of this disclosure document, Mr. Stevens engages in such trading in his own accounts. Trading records for all proprietary trading are available for review by clients and investors upon reasonable notice. A conflict of interest arises if he makes proprietary trades in the same markets, at the same time and using the same Futures Commission Merchant or interbank market counterparty as another account. To the extent executions are bundled and then allocated among accounts held at the FCM, one account may receive more favorable executions than another account. It is ACM's policy to objectively allocate trade executions that afford each account the same likelihood of receiving favorable or unfavorable executions over time. A potential conflict may also occur if the principal trades his proprietary account more aggressively than, or takes a position that is opposite from or ahead of, positions taken by its clients.

ACM will not receive funds from any futures commission merchant for sharing commissions.

LITIGATION

Neither ACM nor its principal, Mr. Stevens, has been the subject of any material administrative, civil or criminal action, either pending or concluded, within the five years preceding the date of this document.

PERFORMANCE DISCLOSURES

Following are the monthly returns for the Global Markets Program managed by ACM and Neal Stevens. ACM and Mr. Stevens began trading this program, and client accounts in general, on 1 April 2005. As used below, the term "drawdown" includes losses experienced by an account over a period of time.

Name of CTA:	Ancile Capital Management, LLC
Inception of Trading by CTA:	1 April 2005
Total Nominal Assets Under Mgmt by CTA:	$1,779,537
Total Actual Assets Under Mgmt by CTA:	$1,779,537

Name of Trading Program:	Global Markets Program
Inception of Trading in Offered Program:	1 April 2005
Total Nominal Assets Under Mgmt in Program:	$1,779,537
Total Actual Assets Under Mgmt in Program:	$1,779,537
Number of Accounts Currently Traded in the Program as of 31 July 2010:	1
Largest Monthly Drawdown:	8.37% / May 2010
Worst Peak-to-Valley Drawdown:	11.63% / Feb 2008 to Sep 2008
Number of Profitable Accounts that Have Opened & Closed:	1
Number of Losing Accounts that Have Opened & Closed:	2
Range of Returns Experienced by Profitable Accounts:	(+11.53%)
Range of Returns Experienced by Unprofitable Accounts:	(-3.75% to -12.15%)

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

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The composite table shown below is for the Global Markets Program. The data in this composite table does not reflect the performance of any one account. Therefore, an individual account may have realized more or less favorable results than the composite indicates.

	2005	2006	2007	2008	2009	2010
January		4.48	-3.69	3.50	-1.23	-4.04
February		2.49	-1.38	17.36	1.03	0.89
March		5.16	-0.65	-5.33	2.90	5.75
April	-0.13	2.33	1.60	0.47	-4.10	1.03
May	6.42	-5.78	5.86	-1.09	-3.54	-8.37
June	5.42	1.38	4.11	5.03	-2.38	1.25
July	1.57	-4.52	-4.40	-6.03	-1.16	-0.86
August	1.04	-3.08	-5.67	-3.62	3.69	
September	3.80	3.52	0.00	-1.26	5.76	
October	-2.18	4.28	6.82	2.15	-3.38	
November	5.58	3.97	2.17	5.13	1.51	
December	-2.37	6.59	8.21	3.98	2.08	
Net YTD	20.35%	21.89%	12.55%	19.85%	0.61%	-4.85%

NOTIONALLY FUNDED ACCOUNTS DISCLOSURE

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 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; and

(3) the conversion chart below may be used to convert actual rates of return ("RORs") to the corresponding RORs for particular funding levels.

Rate of Return	100% funded	75% funded	50% funded	25% funded
-0.13%	-0.13%	-0.17%	-0.26%	-0.52%
6.42%	6.42%	8.56%	12.84%	25.68%
5.42%	5.42%	7.23%	10.84%	21.68%
1.57%	1.57%	2.09%	3.14%	6.28%
1.04%	1.04%	1.39%	2.08%	4.16%
3.80%	3.80%	5.07%	7.60%	15.2%
-2.18%	-2.18%	-2.91%	-4.36%	-8.72%

It is not anticipated that additions or withdrawals or profits or losses will materially affect RORs of notionally funded accounts. This is because any additions or withdrawals of actual funds or trading profits or losses will result in corresponding proportional increases or decreases in the nominal funding of an account. For example, assume that a Client opens an account with an actual funding level of $100,000, and instructs the Advisor to trade the account at a nominal level that is twice the actual funding level (ie, initially $200,000). If the Client either withdraws $50,000 of actual funds from the account or incurs $50,000 of trading losses, the Advisor will trade the account at a nominal level of $100,000. If the Advisor's trading program realized a 5% loss either before or after the withdrawal, contribution, profit or loss, then the Client's account would in either event experience a 10% loss. Please note, however, that the increased leverage resulting from notional funding may lead to more frequent and larger margin calls in the event of a draw-down in an account.