

**CONFIDENTIAL OFFERING MEMORANDUM  
& DISCLOSURE DOCUMENT**

**ATTAIN MANAGED FUTURES TREND FOLLOWING FUND LLC  
(An Illinois Limited Liability Company)**

**Limited Liability Company Interests**

**Minimum Initial Investment: \$50,000  
Minimum Incremental Investment: \$10,000**

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**THESE ARE SPECULATIVE SECURITIES**

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**ATTAIN PORTFOLIO ADVISORS, LLC  
Manager**

**COVENANT CAPITAL MANAGEMENT  
Trading Advisor**

**RELIANCE CAPITAL MARKETS II, LLC  
Introducing Broker**

**MORGAN STANLEY & CO. LLC  
ADM INVESTOR SERVICES INC  
Clearing Brokers**

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**THE FUND TRADES FUTURES AND FORWARD CONTRACTS ON A HIGHLY LEVERAGED  
BASIS. INVESTMENTS IN THE FUND ARE SPECULATIVE SECURITIES.**

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

**April 1, 2015**

***PROSPECTIVE INVESTORS MUST GENERALLY BE "ACCREDITED INVESTORS."***

**ATTAIN MANAGED FUTURES TREND FOLLOWING FUND LLC  
621 S. Plymouth Ct., Floor 1  
Chicago, Illinois 60605  
Telephone (312) 870-1520  
Facsimile (312) 275-8123**

## **RISK DISCLOSURE STATEMENTS**

**YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, YOU SHOULD BE AWARE THAT COMMODITY INTEREST TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF YOUR INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON REDEMPTIONS MAY AFFECT YOUR ABILITY TO WITHDRAW YOUR PARTICIPATION IN THE POOL. IN ADDITION, RESTRICTIONS ON REDEMPTIONS MAY AFFECT YOUR ABILITY TO WITHDRAW YOUR PARTICIPATION IN THE POOL.**

**FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT, AND ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH EXPENSE TO BE CHARGED THIS POOL AT PAGES 50 THROUGH 53 AND A STATEMENT OF THE PERCENTAGE RETURN NECESSARY TO BREAK EVEN, THAT IS, TO RECOVER THE AMOUNT OF YOUR INITIAL INVESTMENT, AT PAGES 3 THROUGH 4 AND 53 THROUGH 55.**

**THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMMODITY POOL. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN THIS COMMODITY POOL, YOU SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT, INCLUDING A DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGES 30 THROUGH 46.**

**YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY POOL MAY TRADE 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 TO THE POOL AND ITS PARTICIPANTS. 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 TRANSACTIONS FOR THE POOL MAY BE EFFECTED.**

## GENERAL NOTICES

THE LIMITED LIABILITY COMPANY INTERESTS IN ATTAIN MANAGED FUTURES TREND FOLLOWING FUND LLC (THE “FUND”) ARE OFFERED EXCLUSIVELY TO FINANCIALLY SOPHISTICATED, HIGH NET WORTH AND INSTITUTIONAL INVESTORS CAPABLE OF EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE FUND.

THIS CONFIDENTIAL DISCLOSURE DOCUMENT (“MEMORANDUM”) CONSTITUTES AN OFFER ONLY TO THE PROSPECTIVE INVESTOR NAMED ON THE COVER PAGE OF THIS MEMORANDUM (THE “OFFEREE”), AND ONLY IF DELIVERY OF THIS MEMORANDUM IS PROPERLY AUTHORIZED BY ATTAIN PORTFOLIO ADVISORS, LLC (THE “MANAGER”).

THE OFFEREE, BY ACCEPTING RECEIPT OF THIS MEMORANDUM, AGREES NOT TO DUPLICATE THIS MEMORANDUM OR FURNISH THIS MEMORANDUM OR ANY COPY OF THIS MEMORANDUM TO ANY PERSON OTHER THAN THE OFFEREE’S PROFESSIONAL ADVISORS (SUBJECT TO CUSTOMARY UNDERTAKINGS OF CONFIDENTIALITY) AND FURTHER AGREES PROMPTLY TO DISPOSE OF THIS MEMORANDUM UPON THE REQUEST OF THE MANAGER OR SHOULD THE OFFEREE DECIDE NOT TO INVEST IN THE FUND.

THE DESCRIPTIONS AND SUMMARIES OF DOCUMENTS IN THIS MEMORANDUM DO NOT PURPORT TO BE COMPLETE; THE OFFEREE SHOULD REFER TO THE ACTUAL DOCUMENTS TO UNDERSTAND THEIR COMPLETE TERMS AND CONDITIONS.

NONE OF THE TRADING ADVISOR OR ITS PRINCIPALS IS OFFERING OR SELLING INTERESTS.

NO REPRESENTATIONS OR WARRANTIES OF ANY KIND ARE INTENDED OR SHOULD BE INFERRED WITH RESPECT TO THE ECONOMIC RETURN OR THE TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND.

THE FUND IS NOT SUBJECT TO THE SAME REGULATORY REQUIREMENTS AS MUTUAL FUNDS.

THE TRADING ADVISOR HAS AGREED TO SHARE A PORTION OF ITS FEES WITH THE MANAGER. THESE FEES ARE SHARED WITH THE MANAGER IN ORDER TO DEFRAY COSTS IN CONNECTION WITH AND IN CONSIDERATION OF THE MANAGER PROVIDING CERTAIN ADMINISTRATIVE AND OPERATIONAL SUPPORT TO THE FUND.

THE MANAGER ASSUMES NO RESPONSIBILITY FOR THE STATISTICAL ANALYSIS OR PERFORMANCE INFORMATION RELATING TO THE TRADING ADVISOR, WHICH HAS BEEN PROVIDED BY OR DERIVED FROM INFORMATION RECEIVED FROM THE TRADING ADVISOR.

**THE OFFEREE SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX OR FINANCIAL ADVICE, AND SHOULD CONSULT WITH THE OFFEREE'S OWN PROFESSIONAL ADVISORS AS TO THE LEGAL, TAX, FINANCIAL OR OTHER CONSIDERATIONS RELEVANT TO DETERMINING THE SUITABILITY OF THIS INVESTMENT FOR THE OFFEREE.**

**NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS CONCERNING THE FUND OR THE INTERESTS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM. THE OFFEREE MUST REPRESENT AND WARRANT IN THE OFFEREE'S SUBSCRIPTION AGREEMENT THAT THE OFFEREE IS SUBSCRIBING SOLELY ON THE BASIS OF THE INFORMATION SET FORTH HEREIN.**

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**THE INTERESTS ARE SUBJECT TO MATERIAL WITHDRAWAL RESTRICTIONS AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT WITH THE CONSENT OF THE MANAGER AND AS PERMITTED UNDER APPLICABLE LAW.**

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**THE INTERESTS ARE SPECULATIVE, INVOLVE SUBSTANTIAL RISK, AND ARE A SUITABLE INVESTMENT ONLY FOR A LIMITED PORTION OF THE RISK SEGMENT OF A PORTFOLIO. THE OFFEREE COULD LOSE ALL OR SUBSTANTIALLY ALL OF THE OFFEREE'S INVESTMENT IN THE FUND.**

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**ANY INQUIRIES CONCERNING THIS MEMORANDUM AND THE OFFERING SHOULD BE DIRECTED TO: ATTAIN PORTFOLIO ADVISORS, LLC: ATTENTION, LAUREN BERLINER, 621 S. PLYMOUTH CT., FLOOR 1, CHICAGO, ILLINOIS 60605, TELEPHONE (312) 870-1520, FACSIMILE 312-275-8123.**

## REGULATORY NOTICES

### GENERAL

**THE INTERESTS ARE OFFERED PRIVATELY PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 (THE “SECURITIES ACT”), ESTABLISHED BY RULE 506 OF REGULATION D PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION (THE “SEC”). THE INTERESTS HAVE NOT BEEN RECOMMENDED BY THE SEC, ANY FEDERAL OR STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY OR SELF-REGULATORY AUTHORITY, NOR HAVE THEY BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY OR SELF-REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING. FURTHERMORE, NONE OF THE FOREGOING AUTHORITIES HAS CONFIRMED THE ACCURACY OR THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.**

**NO PERSON OTHER THAN THE MANAGER HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS, OR GIVE ANY INFORMATION, WITH RESPECT TO THE INTERESTS EXCEPT THE INFORMATION CONTAINED HEREIN. ANY INFORMATION OR REPRESENTATION NOT CONTAINED HEREIN OR OTHERWISE SUPPLIED BY THE MANAGER IN WRITING MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUND.**

**THE OFFEREE SHOULD NOT INVEST IN AN INTEREST UNLESS SATISFIED THAT THE OFFEREE AND THE OFFEREE’S PROFESSIONAL ADVISORS HAVE ASKED FOR AND RECEIVED ALL INFORMATION WHICH THEY BELIEVE TO BE NECESSARY OR ADVISABLE FOR THEM TO EVALUATE THE MERITS AND RISKS OF SUCH INVESTMENT.**

**THE MANAGER AND THE FUND WILL MAKE AVAILABLE TO THE OFFEREE AND THE OFFEREE’S PROFESSIONAL ADVISORS THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM REPRESENTATIVES OF THE MANAGER AND THE FUND CONCERNING THE MANAGER AND/OR THE FUND, AS WELL AS TO OBTAIN ANY ADDITIONAL RELATED INFORMATION — TO THE EXTENT THAT THE MANAGER OR THE FUND POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE — IN ORDER TO VERIFY THE INFORMATION SET FORTH IN THIS MEMORANDUM, AND OTHERWISE SATISFY THE OFFEREE AND THE OFFEREE’S REPRESENTATIVES AS TO THE MERITS AND RISKS OF AN INVESTMENT IN THE FUND.**

FLORIDA INVESTORS

**IF THE OFFEREE IS NOT A BANK, A TRUST COMPANY, A SAVINGS INSTITUTION, AN INSURANCE COMPANY, A DEALER, AN INVESTMENT COMPANY AS DEFINED IN THE INVESTMENT COMPANY ACT OF 1940, A PENSION OR A PROFIT-SHARING TRUST, OR A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), THE OFFEREE ACKNOWLEDGES THAT ANY SALE OF THE INTERESTS TO THE OFFEREE IS VOIDABLE BY THE OFFEREE EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE OFFEREE TO THE FUND, OR AN AGENT OF THE FUND, OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO THE OFFEREE, WHICHEVER OCCURS LATER.**

TAX CONFIDENTIALITY

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, AN OFFEREE (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF AN OFFEREE) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. FEDERAL AND STATE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTIONS DESCRIBED IN THIS MEMORANDUM AND ALL MATERIALS OF ANY KIND THAT ARE PROVIDED TO THE OFFEREE RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. THIS AUTHORIZATION OF TAX DISCLOSURE IS RETROACTIVELY EFFECTIVE TO THE COMMENCEMENT OF DISCUSSIONS WITH OFFEREES REGARDING THE TRANSACTIONS CONTEMPLATED HEREIN.**

ATTAIN MANAGED FUTURES TREND FOLLOWING FUND LLC

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*THE LIMITED LIABILITY COMPANY AGREEMENT AND THE SUBSCRIPTION AGREEMENT OF  
ATTAIN MANAGED FUTURES TREND FOLLOWING FUND LLC ARE SEPARATELY DELIVERED.*

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ATTAIN PORTFOLIO ADVISORS, LLC  
*Manager*

**621 S. Plymouth Ct., Floor 1  
Chicago, Illinois 60605  
Telephone (312) 870-1520  
Facsimile (312) 275-8123**

# ATTAIN MANAGED FUTURES TREND FOLLOWING FUND LLC

## SUMMARY

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*The following summary is intended to highlight certain information contained in the body of this Confidential Disclosure Document (this “Memorandum”) where more detailed information is found. This summary is qualified in its entirety by the information appearing elsewhere in this Memorandum.*

*Capitalized terms not defined in this Memorandum are used with the meanings set forth in the Fund’s Amended and Restated Limited Liability Company Agreement dated as of March 1, 2013 (the “LLC Agreement”).*

### **The Attain Managed Futures Platform**

Attain Portfolio Advisors, LLC (the “Manager” or “Attain”) is sponsoring what it intends to be a series of managed futures funds (the “Attain Managed Futures Platform”), each trading independently of the others and through which clients of the Manager will be able to access a range of speculative futures strategies. Each of the funds (each, an “Attain Platform Fund”) will have substantially the same business terms (including withdrawal rights), and in time the Manager hopes to arrange for a variety of common features among the Attain Platform Funds — for example, exchange privileges, consolidated Subscription Agreements and consolidated financial reporting.

Attain Managed Futures Trend Following Fund LLC (the “Fund”) was the second fund to be made available on the Attain Managed Futures Platform.

*There also can be no assurance that Attain will achieve its objective with respect to the development of the Attain Managed Futures Platform or as to the number of Attain Platform Funds which will be made available on the Attain Managed Futures Platform. Prospective investors must not invest in the Fund in reliance on other Attain Managed Futures Platform funds becoming available.*



**The Fund**

The Fund was organized as an Illinois limited liability company in October, 2003 and commenced trading operations in January 2004. At that time, the Fund was called the “Aggressive Fund LLC” and was operated by (the “Trading Advisor”) pursuant to CFTC Regulation 4.13(a)(2), which limits the amount of capital and the number of investors that it may accept. On January 1, 2007, Marathon Investments, Inc. became the Fund’s pool operator and the Fund ceased operating under the CFTC exemption which allowed it to grow with additional investors and capital. On March 1, 2013, Attain Portfolio Advisors, LLC became the pool operator of the Fund and changed the Fund’s name to “Attain Managed Futures Trend Following Fund LLC.” On that date the Fund became part of the Attain Managed Futures Platform.

Although the Fund changed pool operators twice and changed its name, the Fund has always been traded by Covenant Capital Management (the “Trading Advisor”) pursuant to its Aggressive Program (the “Trading Strategy”).

**The Manager**

Attain Portfolio Advisors, LLC (the “Manager”), an Illinois limited liability company, is the Manager of the Fund and is registered with the Commodity Futures Trading Commission (“CFTC”) as a Commodity Pool Operator (“CPO”) and a Commodity Trading Advisor (“CTA”). The Manager is a member of the National Futures Association (“NFA”). The Manager began doing business in January 2004. See “The Manager.” The Manager’s NFA membership number is: 0339046.

The Manager and its principals do not currently intend to invest in the Fund but may do so in the future.

**The Trading Advisor**

Covenant Capital Management of Tennessee, LLC (the “Trading Advisor”), a Tennessee limited liability company organized in August 2000, has been retained by the Fund to manage and invest the Fund’s investments. The Trading Advisor has been registered as a CTA since July 30, 1999, a CPO since July 30, 2013 and is a member in such capacity of the NFA. See “The Trading Advisor.” The Trading Advisor’s NFA membership number is: 0295798.

The Trading Advisor and its principals have approximately an 8% interest in the Fund. The Trading Advisor will make all trading decisions on behalf of the Fund, and Mr. Scot Sinnott Billington and Brince Rayburn Wilford, the principals of the Trading Advisor, are in charge of the Trading Advisor’s trading decisions.

**The Clearing Broker**

The Fund may use multiple clearing brokers.

Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, NFA membership number 0003045

ADM Investor Services, Inc 141 W. Jackson Blvd Suite 1600A Chicago, IL 60604, NFA membership number 0000360 (

See “The Clearing Broker and Introducing Broker.”

**The Introducing Broker**

Reliance Capital Markets II LLC (“RCM”), an affiliate of the Manager, acts as the Fund’s Introducing Broker (“IB”). RCM is registered with the CFTC as an IB. As the IB, RCM provides certain brokerage services to the Fund, and introduces the Fund’s trading accounts to the Fund’s Clearing Broker. RCM will receive a portion of the brokerage commissions charged to the Fund’s account(s) and thus will be compensated on a per-trade basis. See “Conflicts of Interest.” The Introducing Broker’s NFA membership number is: 0425065.

*Information regarding the Manager, the Trading Advisor, the Clearing Broker and the IB is available on the NFA website: [www.nfa.futures.org/basicnet](http://www.nfa.futures.org/basicnet).*

**Breakeven Analysis**

Set forth below is a chart that shows the Fund's estimated annual breakeven analysis for Class A. The following chart does not constitute a representation as to the Fund's actual operating expenses. The actual expenses could be significantly higher or lower on a percentage basis of total assets depending on the actual expenses incurred and the total value of the Fund's assets.

As shown in the following table on the next page, in order for a Class A Member to breakeven on his or her investment, Class A must achieve approximately \$1,875 per year in profits (per \$50,000 investment) or 3.75%.

The estimated breakeven point for Class B is approximately \$1,875 per year in profits (per \$50,000 investment) or 3.75%; Class C, approximately \$1,375 to \$1,875 per year in profits (per \$50,000 investment) or 2.75% to 3.75%; Class D, approximately \$1,375 to \$2,875 per year in profits (per \$50,000 investment) or 2.75% to 5.75%; and Class E, approximately \$625 to \$1,375 per year in profits (per \$50,000 investment) or 1.25% to 2.75%. For further information on these breakeven points and the analysis behind each, please see “Fees and Expenses--Breakeven Analysis.”

**Estimated Annual Breakeven Analysis for Class A  
(Per \$50,000 Investment)**

<b>Expenses</b>	<b>Twelve-Month Percentage of Net Asset Value</b>	<b>Twelve-Month Dollar Amount</b>
Sponsor's Fee	1.00%	\$500
Administrative Charge	0.50%	\$250
Management Fee	1.00%	\$500
Performance Allocation*	0.00%	\$0
Brokerage Commissions**	0.90%	\$450
Periodic Operating Expenses***	0.35%	\$175
Extraordinary Expenses	Not subject to estimate	Not subject to estimate
<b>TWELVE- MONTH BREAKEVEN</b>	<b>3.75%</b>	<b>\$1,875.00</b>

\* As of the end of each year the Trading Advisor is eligible to receive a Performance Allocation equal to 20% of any "New Net Profit" attributable to Members' Capital Accounts in all Classes. Absent such a profit, the amount of profit allocation needed to break even is 0%.

\*\* The Manager anticipates an annual brokerage commission to equity ratio of 0.90%, although this ratio is difficult to predict and may vary materially from the anticipated amount and be substantially higher.

\*\*\* Periodic operating expenses are estimated to be 0.35% of the Fund's current assets and include legal, regulatory and registration fees and expenses, state filing fees and expenses, auditing, tax and other miscellaneous expenses. This amount will decrease as assets increase in the Fund.

## Strategy Summary

### **Investment Objective and Strategy**

The primary investment objective of the Fund is capital appreciation through speculative trading implementing the Trading Advisor's Aggressive Program (the "Trading Strategy").

The Fund may trade, invest in, buy, sell or otherwise acquire, hold or dispose of futures contracts, including without limitation commodity futures, financial futures, options on futures contracts, cash and spot contracts on commodities and cash equivalents, and all rights and interests therein and thereon.

In implementing the Trading Strategy, the Trading Advisor will take positions based on a long-term, technical, trend following system. Discretion is used only in extremely rare cases to interpret the existing rules of the system.

Technical analysis uses the theory that a study of the markets themselves will provide a means of anticipating price changes. The system attempts to participate in long-term market trends. It does not try to predict trends. The system does not try to predict when a trend will start, how long it will last, or how high or low it will move. After a trend has occurred, the Trading Advisor does not seek to explain why a trend may have occurred or why it behaved as it did. The only prediction made is that trends will continue to exist as a phenomenon of the market place.

The Trading Strategy trades a diverse portfolio of markets and market sectors including but not limited to, futures contracts on metals, meats, grains, energies, softs, foreign currencies, domestic and foreign interest rates, and domestic and foreign stock indices. By broadly diversifying across a wide array of markets, the Trading Advisor attempts to diminish the importance of any one position in the portfolio.

### **Increased Leverage**

The Trading Advisor offers several trading programs, including one called the "Original Trading Program" and another called the "Aggressive Program." The Fund's Trading Strategy is the Aggressive Program, which takes the exact same trading signals as the Trading Advisor's Original Trading Program; however, it takes roughly 1.75 times the position sizes of the Trading Advisor's Original Trading Program, although there may be situations where the Fund is traded with more or less leverage. As a result of this increased leverage, the Fund can expect to have more rapid drawdowns, greater volatility and higher expenses than an account traded with standard leverage; however, the Fund, as a result of such leverage adjustments, also has the potential of greater trading profits.

## The Offering

### **The Offering**

The Fund offers limited liability company interests ("Interests") as of the first Business Day of each month.

The Manager intends first to use this Memorandum to solicit investments in the Fund beginning April 1, 2015.

No escrow account will be used. Subscription funds will be sent to NAV Consulting, Inc. (the “Administrator”) and deposited in the Fund’s account at BMO Harris Bank NA, which, upon the instructions of the Manager, a portion of these funds will be deposited into the Fund’s trading account at the Clearing Broker.

While there is no absolute maximum on the amount of Interests which may be sold, the Manager does not presently expect to cause the Fund to issue Interests at any time after its capitalization exceeds \$150,000,000. The Fund will only offer Interests to the extent that the Trading Advisor is willing to manage more capital in the Fund. The Trading Advisor has agreed to make available to the Fund an aggregate investment capacity of at least \$50,000,000 under the Aggressive Program.

The Fund will be continuously offered, privately to investors that are “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”).

**Minimum  
Initial/Incremental  
Investment**

The minimum initial and incremental investments in the Fund are \$50,000 and \$10,000, respectively, or such other amount as the Manager may determine in its sole discretion.

**Interests Offered**

For purposes of administrative convenience, the Manager has divided the Interests into classes (each, a “Class”). The Classes are identical — and will participate in the same portfolio of futures positions — except for the fees to which they are subject.

- Class A Interests are generally intended for those subscribers investing directly in the Fund that are new investors not currently clients of the Trading Advisor or the Manager and will be subject to the fees described herein.
- Class B Interests are generally intended for those subscribers investing directly in the Fund that are currently clients of the Trading Advisor and will be subject to the Advisory Compensation, as described herein.
- Class C Interests are generally intended for those subscribers purchasing Interests through a fee-based advisory program. The Class C Interests may be subject to reduced fees to reflect the advisory fees paid at the level of the advisory program.

- Class D Interests are generally intended for purchasing Interests through a selling agent. The Class D Interests may be subject to reduced fees and/or selling commissions either in the form of a sharing of fees between the Manager and the selling agents and/or upfront and/or ongoing selling commissions paid to the selling agent.
- Class E Interests are generally intended for Manager Parties and will pay reduced fees. Manager Parties is defined as the Manager, its affiliates, and their respective officers, employees, representatives and agents.
- Founders Class Interests were only offered to investors in the Fund as of March 1, 2013, and are no longer open to new investors. Please note that a portion of the Founders Class is sub-divided into “Founders Class with PFG Write Down.” See “Financial Allocations--Bankruptcy of PFG” for further information.

*This Memorandum describes Class A Interests, as well as the Interests of Classes B, C, D and E. Founders Class is closed to new investors. The term “Classes,” when used collectively in this Memorandum, refers to Classes A, B, C, D and E, but does not include Founders Class since it is closed to new investors.*

*The financial arrangements relating to the Advisory Compensation/selling commissions/advisory program fees payable by different Class C and Class D Interests may differ between different selling agents and advisory fee programs. The terms applicable to each investor’s Class C or Class D Interests will be set forth in such investor’s Subscription Agreement.*

See “Financial Terms” in this Summary, as well as “Fees and Expenses” in the body of this Memorandum, for specific information regarding the fees applicable to each Class.

### **Use of Proceeds**

#### **Use of Proceeds**

Subscription funds should not be transmitted prior to the subscriber being informed that the subscriber’s Subscription Agreement has been accepted. No escrow account will be used. Subscription funds will be sent to the Administrator which in turn will deposit the funds into the Fund’s trading account at the Clearing Broker. All interest earned on subscription funds accrues to the benefit of the Fund (not any individual subscriber).

Under the Investment Management Agreement, although the Trading Advisor is responsible for the Fund’s commodities trading, the Manager, and not the Trading Advisor, is responsible for management of cash and other assets not involved in the Trading Strategy.

### Trading Level

#### **Relationship between Net Asset Value and Trading Level**

Futures trading advisors typically “size” the market exposure of the funds and accounts which they manage based on the assets in such funds and accounts. A particular advisor may, for example, trade using a program which will acquire a specified number of “risk units” of market exposure per \$100,000 of net asset value. This basic approach is consistent with the investor’s perspective which looks at the performance of a fund or account in terms of the increase or decrease in its net asset value. However, given the low margin requirements generally applicable to futures trading, there is no reason that a trading advisor needs to “size” market exposure based on net asset value. Assuming a margin to equity ratio of 30%, the Fund would have sufficient capital up to 3 times the “standard” number of “risk units” acquired for an account of such size.

Since the Aggressive Program inherently trades with increased leverage, the Manager has determined to instruct the Trading Advisor to trade the Fund at a “trading level” (the “Trading Level”) equal to 100% of the Fund’s Net Asset Value as of the beginning of each month.

### Financial Terms

#### **Brokerage Commissions**

The Fund will pay brokerage commissions at a rate of \$15 per “round-turn trade” (each acquisition and subsequent liquidation of a single contract, “Round Turns”), which rate will include all exchange and regulatory fees (including NFA transaction fees) as well as “floor brokerage” charges. All investors of the Fund, regardless of their Fund Class, pay their pro rata share of brokerage commissions.

The Manager anticipates an annual brokerage commission to equity ratio of 0.5%, although this ratio is difficult to predict and may vary materially from the anticipated amount and be substantially higher. The brokerage commission to equity ratio is the annualized ratio of brokerage commissions and fees to the total equity in the Fund.

The Fund will directly pay the Clearing Brokers for clearing and execution costs and RCM will be rebated the difference between the brokerage commissions paid by the Fund and such costs. The Manager expects that the brokerage commissions rebated to RCM will approximate 0.30% of the Fund’s average month-end Net Asset Value per annum.

#### **Management and Sponsor’s Fees**

The Trading Advisor will receive a monthly Management Fee equal to 1/12 of 1.00% of the month-end Net Asset Value of all Classes of Interest, other than Class B Interests, for which the Trading Advisor will receive a Management Fee equal to 1/12 of 2.00% of the month-end Net Asset Value and Class E Interests which may pay no or a reduced Management Fee.

The Manager will receive a monthly Sponsor's Fee equal to 1/12 of 1.00% of the month-end Net Asset Value of all Classes of Interest, except Class C and Class D Interests may pay no or a reduced Sponsor's Fee and Class B and E Interests will pay no Sponsor's Fee.

The monthly Management Fee and Sponsor's Fee combined will equal 1/12 of 2.00% of the month-end Net Asset Value of Class A Interests and may be less for the other Classes.

The Trading Advisor has separate fee sharing arrangements with the Manager and RCM whereby the Trading Advisor agrees to pay the Manager a portion of its Performance Allocation.

The Management and the Sponsor's Fees will be paid monthly in arrears.

Net Asset Value for purposes of calculating the Management and the Sponsor's Fees will not be reduced by the Management or Sponsor's Fees being calculated or by any accrued Performance Allocation.

**Administrative  
Charge and  
Operating Expenses**

The Fund has two types of operating expenses: ordinary operating expenses (such as, without limiting the foregoing, accounting, administration, printing, mailing and other ongoing expenses of operating the Fund) and periodic operating expenses (such as, without limiting the foregoing, legal, regulatory and registration fees and expenses, state filing fees and expenses, auditing, tax and other miscellaneous expenses).

The Manager will pay the Fund's ordinary operating expenses. As a result, the Fund will pay the Manager a monthly Administrative Charge equal to 1/12 of 0.50% of the month-end Net Asset Value. The Manager may, in the future, lower the Administrative Charge in its sole discretion.

The Fund, and not the Manager, will pay its own periodic operating expenses. In 2014 the Fund paid approximately \$26,551 in periodic operating expenses. The actual operating expenses the Fund pays in the future could be significantly higher or lower depending on the actual expenses incurred and the total value of the Fund's assets.

**Extraordinary  
Expenses**

The Fund will pay its extraordinary expenses, if any. Extraordinary expenses are unanticipated expenses which might arise from the Fund's business activities, such as the cost of any litigation in which the Fund might be engaged, the costs of responding to subpoenas, regulatory requests for information and regulatory investigations (including the cost of preparing to respond to regulatory and self-regulatory inquiries). By their nature, the dollar amount of extraordinary expenses cannot be estimated and may be substantial.



**Selling Commissions to the Selling Agents**

For Class D only, selling commissions may be paid to a selling agent either in the form of a sharing of fees between the Manager and the selling agent and/or an upfront and/or ongoing sales commission paid to the selling agent that generally does not exceed 2%. If an upfront commission is charged, such commissions will be deducted from a Class D subscription and the net amount of such subscriptions (after deducting applicable sales commissions) will be invested in the Fund.

**Performance Allocation**

As of the end of each calendar year the Trading Advisor is eligible to receive a Performance Allocation equal to 20% of any “New Net Profit” attributable to Members’ Capital Accounts in all Classes.

“Trading Profit” is calculated on each Member’s Capital Account in each Class and equals all gains (*minus* losses) on the Funds’ trading positions during a year attributable to such Member’s Capital Account in a Class — including changes in unrealized as well as realized gains and losses. Trading Profit does not include interest income.

“Net Trading Profit” equals Trading Profit *less* brokerage commissions and Management Fees attributable to such Member’s Capital Account in each relevant Class. The brokerage commissions attributable to a given year equal the commissions actually paid during such year (on a Round Turn basis) plus or minus the change in the accrued brokerage commissions on open positions. Because brokerage commissions are paid on a Round Turn basis, they are only actually paid when a position is liquidated, however, the entire Round Turn commission is accrued at the time the position is established. Such accrual is recorded as an expense in the year in which the position is acquired. Where the brokerage commission is actually paid when the position is liquidated, “double counting” is avoided by offsetting this payment by a corresponding reduction in the outstanding accrued commissions.

**Performance Allocation**

“New Net Profit” equals the amount by which cumulative Net Trading Profit exceeds any balance in the Loss Carryforward Account established for such Member’s Capital Account in each Class. As of the end of each year, if such Capital Account has incurred a loss across the full course of such year, the “Loss Carryforward Account” established for such Capital Account is credited with the amount of such loss. Additional Capital Contributions made by a Member to such Capital Account have no effect on the balance in the Loss Carryforward Account; however, capital Withdrawals result in such balance being reduced by being *multiplied by* the fraction the numerator of which is the Net Asset Value of such Capital Account immediately following and the denominator of which is such Net Asset Value immediately prior to such Withdrawal.

The Manager’s Capital Account will be allocated 20% of the Performance Allocations attributable to all Classes of Interests except for Founders Class Interests and Class B Interests which would otherwise be received by the Trading Advisor.

**Waiver** The Manager and the Trading Advisor may waive or reduce the payment of the Sponsor’s Fees and Management Fees, respectively, with respect to certain Members in their discretion without entitling any other Member to such waiver or reduction.

**Investor Liquidity**

**Withdrawals** Interests may be withdrawn, in whole or in part, by Members as of the end of any calendar month, subject to certain restrictions, provided the Member has given at least ten (10) Business Days’ prior written notice to the Manager. The Manager may waive or reduce the withdrawal notice period with respect to any Member in its sole discretion.

**Payment of Withdrawals** Payment of Withdrawal Proceeds from the Fund will generally be made approximately ten (10) Business Days following the Withdrawal Date.

No interest is paid on Withdrawal Proceeds during the period from the applicable Withdrawal Date until payment. An Interest will cease to participate in the performance of the Fund from the applicable Withdrawal Date, irrespective of when Withdrawal Proceeds are paid out.

**Form of Withdrawal Payments** Withdrawal Proceeds will be paid only in cash.

**No “Lock-up Period”** There is no minimum holding period for any Interest.

**No Withdrawal Fees** No fees will be assessed on any Withdrawals, irrespective of how soon after the related Capital Contribution such Withdrawals are made.

**Exchanges** The Manager anticipates allowing Members to exchange their Interests in the Fund for interests in other Attain Platform Funds. Generally, such exchanges will be treated as a withdrawal from the Attain Platform Fund from which an interest is exchanged and a capital contribution into the Attain Platform Fund into which an interest is exchanged. Therefore, any balance in a Loss Carryforward Account will be forfeited to the extent of the amount exchanged and will have no effect on the calculation of the performance allocation due in respect of the Attain Platform Fund into which such Member exchanges.

**Transfers** For regulatory reasons, the Interests may only be transferred with the consent of the Manager. The Manager generally intends to consent to permissible transfers to qualified persons which are consistent with applicable regulations.

**Distributions** Distributions will be paid, if at all, at the sole discretion of the Manager. It is not anticipated that distributions will be paid.

## Taxation

### **Taxation**

The Fund intends to be classified as a partnership for U.S. federal income tax purposes. The Fund does not expect to be a publicly traded partnership taxable as a corporation. Accordingly, the Fund should not be subject to U.S. federal income tax. Rather, each Member will be required to report on its own annual tax return such Member's distributive share of the Fund's taxable income or loss. See "Certain U.S. Federal Income Tax Considerations."

## Reporting

### **Reports to Members**

The Manager is required to provide to all Members with the monthly Account Statements and Annual Reports (containing financial statements certified by an independent public accountant) required by applicable CFTC rules.

### **No Information on Trading Positions**

Futures trading methods are proprietary and confidential. Accordingly, investors will not have access to information concerning the positions held by the Fund.

## Risks

### **Speculative Strategies and Other Risks**

**The strategies employed by the Trading Advisor are speculative, involve a high degree of risk and are substantially leveraged. Among the risks of investing in the Fund are:**

- **An investment in the Fund is speculative and involves a high degree of risk. Investors may lose all of their investment in the Fund.**
- **The Manager has not previously sponsored a fund managed by the Trading Advisor.**
- **The performance of the Trading Advisor is not necessarily indicative of future results.**
- **The Manager will not have any control over the trading of the Fund. Plenary authority is delegated to the Trading Advisor and the Manager does not have the authority to terminate or replace the Trading Advisor, without the Trading Advisor's consent.**
- **The Fund will take highly leveraged positions.**
- **Members' Withdrawal rights are limited.**
- **The Fund is subject to substantial charges as well as the Performance Allocations.**

- The Fund is subject to conflicts of interest.
- There is no maximum amount of Interests that the Fund may offer, although the Fund may offer Interests only to the extent that the Trading Advisor agrees to manage additional Fund capital.

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By signing the Subscription Agreement, each investor will represent that:

- the investment is suitable for the subscriber;
- the subscriber is able to bear the risks of the investment, including the risks of substantial or total losses and of the limited liquidity of the Interests;
- the subscriber is an “accredited investor” as defined under Regulation D of the Securities Act;
- the subscriber, either alone or together with the subscriber’s advisors, has the knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Fund and understands the risks of, and other considerations relating to, that investment, including the matters discussed under “Certain Risk Factors,” below;
- the subscriber has received and carefully reviewed this Memorandum and the Material Contracts; and
- the subscriber has had the opportunity to ask questions and receive answers as well as to receive any additional information — in each case from the Manager — concerning the Fund or the Attain Managed Futures Platform as the subscriber has reasonably requested.

***MEMBERS MAY LOSE ALL OR SUBSTANTIALLY ALL OF THEIR INVESTMENT IN THE FUND (OR IN THE ATTAIN MANAGED FUTURES PLATFORM IN GENERAL).***

***EACH PROSPECTIVE INVESTOR MUST CAREFULLY ASSESS THE RISKS AND MERITS OF AN INVESTMENT IN THE FUND BEFORE DETERMINING WHETHER TO SUBSCRIBE FOR AN INTEREST.***

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***SEE “CERTAIN RISK FACTORS” AND  
“CERTAIN CONFLICTS OF INTEREST.”***

## **ATTAIN MANAGED FUTURES TREND FOLLOWING FUND LLC**

### Introduction

The Fund is a commodity pool operated by the Manager and for which the Trading Advisor is the sole Trading Advisor. The Fund will engage in speculative trading in futures contracts and options on futures contracts under the direction of the Trading Advisor implementing the Trading Strategy.

The Manager is an Illinois limited liability company organized on January 30, 2004 and is located at 621 S. Plymouth Ct., Floor 1, Chicago, Illinois 60605; telephone (312) 870-1520; facsimile (312) 275-8123. The Manager's and the Fund's principal place of business is, and the Fund's books and records will be maintained, at this address.

### Limited Liability

A Member cannot be individually subjected to margin calls and cannot lose more than the amount of such Member's original investment and any profits earned thereon (which have not been Withdrawn).

### Reports

The Manager provides to all Members a statement of account on a monthly basis. The Manager will also provide to all Members audited financial statements as required under CFTC rules.

## **USE OF PROCEEDS**

### General

The proceeds of this offering will be used for speculative trading in futures contracts and options on futures contracts implementing the Trading Advisor's trend following strategy. The Trading Advisor has sole authority over the trading of the Fund implementing the Trading Advisor's Global Opportunities strategy.

The Trading Advisor estimates that between 5% and 40% of the Fund's Net Asset Value may, from time to time, be required to margin its futures positions. However, the Fund's actual margin-to-equity percentages may be substantially more or less than this estimated range.

The Fund has executed a clearing agreement with the Clearing Broker, a "futures commission merchant" ("FCM") registered with the CFTC. See "The Clearing Broker and Introducing Broker." The Manager reserves the right to add and/or change clearing brokers in the future.

Of the assets deposited with the Clearing Broker, generally 60% to 80% will be allocated to futures and option contracts traded on United States exchanges and 20% to 40% to non-United States exchanges, although each of these percentages is difficult to predict and may vary greatly in the future. It should be noted that the assets deposited by the Fund to margin its domestic futures and options trading are segregated pursuant to Section 4d(2) of the Commodity Exchange Act and that such assets must be held in cash or in United States government securities. Assets used to margin the Fund's other commodity positions—such as, foreign futures—are not segregated pursuant to the Commodity Exchange Act. Fund's assets used to margin the Fund's foreign futures trading may be held or invested outside the United States.

The Fund holds its assets in two ways:

1. A portion of the Fund's assets are held in cash and/or U.S. Treasury Bills to margin the trading in its commodity trading accounts maintained at the Clearing Broker. Any interest earned on these funds will accrue to the benefit of the Fund.
2. Any remaining assets are held as cash in the Fund's checking account at BMO Harris Bank, NA to pay the expenses of the Fund. Any interest earned on the Fund's assets accrues to the benefit of the Fund. *See "Cash Management" below.*

Additionally, custody of the Fund's assets may be allocated to other brokers, banks or trust companies. The Manager will notify investors of material changes in the custodial arrangement of the Fund's assets.

Under the Investment Management Agreement, although the Trading Advisor is responsible for the Fund's commodities trading, the Manager, and not the Trading Advisor, is responsible for management of cash and other assets not involved in the Trading Strategy.

The Fund currently does not use a separate custodian *per se* for the Fund's assets, but may retain the services of a custodian in the future. Currently Fund assets will either be held at the Clearing Broker in the name of the Fund or in the Fund's bank account at BMO Harris Bank NA *See "Cash Management" below.*

The Manager is not registered as an "investment adviser" with the Securities and Exchange Commission ("SEC") and, accordingly, cannot manage the Fund's reserve assets by investing them in securities (*e.g.*, money market funds) other than Treasury securities. Accordingly, the Fund's reserve assets will be held either in bank accounts or Treasury bills — which currently generate little, if any, interest income.

No loan, whether a direct loan, commercial paper issue, or any other form, will be made by the Fund to the Manager or any Manager Party. The Manager will not commingle the property of the Fund with those of any other person. Funds held by the Clearing Broker are not deemed to be commingled for such purpose.

### Cash Management

The Manager will use commercially reasonable efforts to limit the amount of the Fund's capital which is held on deposit with its FCM. Although, "customer funds" benefit from the requirement of "segregation" from the assets of the FCM as well as other "customer protection" provisions, recent events at MF Global and PFG have demonstrated the potential risks to which "customer funds" may be subject.

The Manager expects that typically only approximately 15%-25% of the Fund's capital will be needed to margin its open positions (and must, therefore be on deposit with the Fund's FCM). In order to avoid the daily cash movements between the Fund's customer account and bank account, the Manager will adjust the amount of cash on deposit with the Fund's FCM approximately once a week (more frequently if the Manager determines that it is advisable to do so) to a level which approximates 1.5x the margin required to trade the Fund's account. The Fund's capital not on deposit in its customer futures account will be deposited in a non-interest bearing bank account.

The Manager will not be subject to any formal or rigid limitations regarding the maximum amount of the Fund's capital that may be on deposit in the Fund's customer futures account, and the

Manager will have no control over the aggregate margin needed to support the Fund's positions (which will vary both with the trading advisors used and market conditions – the exchanges will often increase margin requirements in more volatile markets). In addition, it is possible that transfers from the Fund's customer futures account to the Fund's bank account could be voided in the event of the bankruptcy or fraudulent conduct of the related FCM, if such transfers occur within a certain period of time before such event. However, the Manager believes that its active cash management of the Fund's capital so as to limit the amount of such capital held by the Fund's FCM can, in certain circumstances, provide meaningful protection to the Fund's assets which would not be available were substantially all of such assets simply deposited with the FCM (a practice which has been common in the industry).

Additionally, custody of the Fund's assets may be allocated to other brokers, banks or trust companies. The Manager will notify investors of material changes in the custodial arrangement of the Fund's assets.

## **THE TRADING ADVISOR AND THE TRADING PROGRAM**

### **Investment Objective and Strategy**

The primary investment objective of the Fund is capital appreciation through speculative trading implementing the Aggressive Program (the "Trading Strategy").

The Fund may trade, invest in, buy, sell or otherwise acquire, hold or dispose of futures contracts, including without limitation commodity futures, financial futures, options on futures contracts, cash and spot contracts on commodities and cash equivalents, and all rights and interests therein and thereon.

In implementing the Trading Strategy, the Trading Advisor will take positions based on a long-term, technical, trend following system. Discretion is generally used only in extremely rare cases to interpret the existing rules of the system. Technical analysis uses the theory that a study of the markets themselves will provide a means of anticipating price changes. The system attempts to participate in long-term market trends. It does not try to predict trends. The system does not try to predict when a trend will start, how long it will last, or how high or low it will move. After a trend has occurred, the Trading Advisor does not seek to explain why a trend may have occurred or why it behaved as it did. The only prediction made is that trends will continue to exist as a phenomenon of the market place.

The Trading Advisor can only recognize a trend after some, most or all of it has already occurred. The Trading Strategy identifies when a trend *may* be beginning and enters the market at that point. The same technical analysis indicates when the trend *may* be ending, and signals to exit the market at that point. The system is set up to minimize commissions and the number of trades per market when compared to other futures trading systems. Stop losses will be placed in the market as soon as entries are made, and they will be modified weekly. A stop may not necessarily be changed from week to week. Initial risk will be limited to a fixed percentage of the core equity (core equity is the total equity in the account less the total amount at risk in other open positions) of the account. As profits accumulate in a position, a greater percentage of risk will be tolerated; however, at a constant pre-determined level, the Trading Advisor may use options or may decrease the position size to reduce risk. Exits are executed on trailing stops. Position size may be dramatically reduced to lower risk, but a position will not be exited until the market hits the pre-determined trailing stop level. The Trading Advisor may use multiple triggers to enter and exit a position incrementally and at different times.

The Trading Advisor trades a diverse portfolio of markets and market sectors including but not limited to, metals, meats, grains, energies, softs, foreign currencies, domestic and foreign interest rates, and domestic and foreign stock indices. By broadly diversifying across a wide array of markets, the

Trading Advisor attempts to diminish the importance of any one position in the portfolio. The individual positions are designed to be relatively small and the stops are designed to be relatively wide to avoid multiple entries and exits that increase the commission burden on an account.

The Trading Advisor conducts continuing research to improve its trading methodology and risk management parameters. Markets may be added to or subtracted from the portfolio and the Trading Advisor may trade markets on foreign exchanges and may trade options as well as futures contracts.

*There can be no assurance that the Fund will achieve its investment objective. The Fund's investment policies and strategies are speculative and entail significant risk. See "Certain Risk Factors."*

The foregoing description is general and is not intended to be exhaustive. Investors must recognize that there are inherent limitations on all descriptions of investment processes due to the complexity, confidentiality and subjectivity of such processes. In addition, the description of virtually every strategy must be qualified by the fact that investment approaches are continually changing, as are the markets invested in by the Fund. Finally, the Fund may pursue additional strategies, in its sole discretion, in its pursuit of the Fund's investment objective.

### **Increased Leverage**

The Trading Advisor offers several trading programs, including one called the "Original Trading Program" and another called the "Aggressive Program." The Fund's Trading Strategy is the Aggressive Program, which takes the exact same trading signals as the Trading Advisor's Original Trading Program; however, it takes roughly 1.75 times the position sizes of the Trading Advisor's Original Trading Program, although there may be situations where the Fund is traded with more or less leverage. The result is that an investment in the Fund will have increased risk.

Investors of the Fund must understand the following statements regarding the Fund's increased risk:

- \* The use of increased leverage can be expected to increase the Fund's volatility.
- \* The use of increased leverage in the Fund will increase the aggregate amount of brokerage commissions paid by the Fund when expressed as a percentage of equity since the number of trades initiated by the Trading Advisor for the Fund will be approximately 1.75 times the number of trades for an account using the Original Trading Program (assuming each fund has the same level of equity).
- \* The Fund will be required to generate a greater level of trading profits in order to offset its higher brokerage expenses.
- \* In the event the Fund experiences losing trades, its equity will erode much more quickly because it is traded at roughly 1.75 times the leverage.

In short, an investment in the Fund will have approximately 1.75 times the allocable brokerage expenses, volatility and risk of an equal investment in an account traded pursuant to the Original Trading Program. The Fund also has the potential to have approximately 1.75 times the profits.

### **The Trading Advisor**

#### *General*



The Fund has engaged Covenant Capital Management of Tennessee, LLC as the Trading Advisor of the Fund's assets and investments under an investment management agreement summarized below ("Investment Management Agreement").

The Trading Advisor is a limited liability company organized June 1, 1999, originally existing under the laws of the state of Delaware as Covenant Capital Management of Tennessee, LLC. It is registered to do business in the state of Tennessee as Covenant Capital Management, LLC. The Trading Advisor was reorganized in the state of Tennessee on August 29, 2000. At this time it dissolved its organization in the state of Delaware.

The Trading Advisor has been registered with the CFTC as a Commodity Trading Advisor and a member of the NFA since July 30, 1999 and a Commodity Pool Operator since July 30, 2013.

The backgrounds and experience of the principals of the Trading Advisor are set forth below. The Trading Advisor also manages other accounts and investment funds in addition to the Fund's assets. See "Past Performance of the Fund" (pages 21-22) for the performance information for the Fund.

#### *Biographies of the Trading Advisor*

##### *Scot Billington*

Scot Billington is the Chief Operations Manager, the Head Trader, and an equity holder of the Trading Advisor. He developed the trading systems that will be used by the Trading Advisor and is actively involved in every aspect of the Trading Advisor's business and trading.

Mr. Billington worked as an assistant trader from July 1993 to May 1999 for Bradford & Co., Incorporated, a Futures Commission Merchant (FCM) and division of J. C. Bradford & Co. He was responsible for executing client orders, advising clients, and developing systems. He was a registered associated person with Bradford & Co., Incorporated from December 1993 to May 1999.

Mr. Billington has been associated with the Trading Advisor since its formation in June 1999. He has been an associated person and a principal with the Trading Advisor since July 30, 1999 through the present. He was a branch office manager from July 1999 to April 2003 and from July 13, 2005 to present.

Beginning in April of 2002, Mr. Billington worked for Ronin Capital, an option trading investment company at the Chicago Board Options Exchange where his main function was making markets in the OEX 100 Index options market. Mr. Billington was a market maker at Ronin Capital in the OEX 100 Index options until January 2005. He was also a member of the Chicago Board Options Exchange from December 2002 to January 2005.

##### *Brince Wilford*

Brince Wilford is the Secretary and is a 45.05% equity holder of CCM. He is registered with the CFTC as a principal and associated person of CCM. Mr. Wilford shares control of CCM with his co-founder, Scot Billington and together they jointly lead the operations, trading, research, and compliance functions of the company. Mr. Wilford and Mr. Billington co-developed the trading models employed by CCM and are both actively involved in every aspect of CCM's business and trading.

Prior to, and during the early years of forming CCM, Mr. Wilford worked for Healthcare Realty Trust, Inc. in the Investments Department from August of 2002 through January of 2006 where his primary responsibilities included business development, financial modeling, consulting and acquisitions work. Healthcare Realty Trust is a publicly traded Real Estate Investment Trust (NYSE:HR). Mr.

Wilford resigned from Healthcare Realty in 2006 to focus full time on the advisory. He returned to Healthcare Realty in January of 2008 when he assumed the role of Senior Vice President of Investments until the December of 2010 at which time his affiliation with Healthcare Realty ended. Mr. Wilford is an equity partner in Rubicon Equities, LLC a Delaware based company that invests in corporate real estate but does not participate in the day to day operations of that company. Mr. Wilford currently manages all CCM business activity at the home office in Nashville, TN and has been registered as a principal and associated person of the advisor since co-founding the company on July 30, 1999.

There have been no material administrative, civil, or criminal actions--whether pending, on appeal or concluded--against the Trading Advisor or its principals within the five years preceding the date of this Memorandum.

The Trading Advisor and its principals will trade in commodity interests for their own accounts. Members of the Fund will not be permitted to inspect the records of such trading and any written policies related thereto.

At this time, the Trading Advisor and its principals have approximately an 8% interest in the Fund.

## PAST PERFORMANCE OF THE FUND

The following tables present the Fund's performance for the past five years.

The Fund commenced trading operations in January 2004. At that time, the Fund was called the "Aggressive Fund LLC" and was operated by the Trading Advisor pursuant to CFTC Regulation 4.13(a)(2), which limits the amount of capital and the number of investors that it may accept. On January 1, 2007, Marathon Investments, Inc. became the Fund's pool operator and the Fund ceased operating under the CFTC exemption which allowed it to grow with additional investors and capital. On March 1, 2013, Attain Portfolio Advisors, LLC became the pool operator of the Fund and changed the Fund's name to "Attain Managed Futures Trend Following Fund LLC."

Although the Fund changed pool operators and its name, one thing has remained constant: the Fund has always been traded by Covenant Capital Management (the "Trading Advisor") pursuant to its Aggressive Program (the "Trading Strategy").

Since inception through November 2012 the Fund offered one class of interests called "Limited Liability Membership Interests." Effective December 2012, the Fund reduced the value of a portion of its assets frozen due to the bankruptcy of Peregrine Financial Group Inc. ("PFG"), the Fund's prior brokerage firm. This write down was only allocated to those investors that were in the Fund as of July 12, 2012, when PFG filed for bankruptcy. As a result of the write down, the Fund sub-divided those investors who were subject to the PFG write down into a separate class of Interest called "Limited Liability Membership Interests with PFG Write Down." The investors not in the Fund when the PFG bankruptcy occurred were not subject to the write down and continue to hold "Limited Liability Membership Interests." When the Manager began operating the Fund on March 1, 2013, the "Limited Liability Membership Interests" were reclassified as "Founders Class" and the "Limited Liability Membership Interests with PFG Write Down" were reclassified as "Founders Class with PFG Write Down." Table 1 presents the composite performance of the Fund across all classes, including the classes subject to the PFG write down in December 2012. Table 2 presents the actual trading performance of the Fund and excludes those classes holding PFG assets and subject to the PFG write down in December 2012.

The results set forth in the following tables are not indicative of the results that may be achieved by the Fund. In addition, because the Trading Advisor has modified and will continue to modify its trading program, the results shown in the tables do not necessarily reflect the program, which will be used for the Fund. The markets in which the performance record was compiled have been and are changing; a trading program or approach successful in a particular set of market conditions might not be successful in other market conditions existing now or in the future. No representation is or could be made that the results set forth below are representative of the Trading Advisor's current trading program or that the Fund will or are likely to achieve profits or incur losses similar to those shown.

Table 1: Fund Performance

**Attain Managed Futures Trend Following Fund LLC**  
(Composite of All Classes)

**Capsule Performance Summary**

Period 1/1/2010 to 03/31/2015

Inception of Trading:	February 2004
Type of Pool:	Privately Offered/Single Advisor Pool
Gross Aggregate Subscriptions of the Fund:	\$14,654,661
Net Asset Value of the Fund:	\$7,173,424
Largest monthly draw-down (Composite – past 5yrs):	-10.71% (Dec-12)
Worst peak-to-valley draw-down (Composite – past 5yrs):	-28.09% (Apr-11 to May-14)

**MONTHLY AND ANNUAL RATES OF RETURN**

	2010	2011	2012	2013	2014	2015
Jan	-4.77%	-2.27%	-1.27%	6.30%	-4.91%	0.58%
Feb	-0.72%	3.75%	2.01%	-6.26%	3.23%	-1.37%
Mar	-1.34%	0.43%	-3.02%	3.44%	-2.08%	-2.10%
Apr	5.03%	9.90%	-4.16%	2.59%	-1.30%	
May	1.18%	-9.64%	0.14%	4.92%	-0.64%	
Jun	1.37%	-3.36%	-5.72%	-8.22%	0.60%	
Jul	-2.27%	5.59%	8.72%	-1.95%	-0.19%	
Aug	5.39%	3.58%	1.65%	0.26%	2.57%	
Sept	8.59%	-0.61%	4.59%	-4.41%	12.81%	
Oct	6.02%	-4.20%	-6.50%	0.99%	4.12%	
Nov	-1.00%	0.92%	0.94%	-0.84%	6.81%	
Dec	8.84%	0.43%	-10.71%	0.30%	2.39%	
Annual Rate of Return	<b>28.39%</b>	<b>3.13%</b>	<b>-13.91%</b>	<b>-3.90%</b>	<b>24.74%</b>	<b>-2.88%</b>

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

Notes:

1. Drawdown means peak to trough losses experienced by the pool over the specified period.
2. Rate of Return is calculated by dividing the Net Performance by the Adjusted Beginning Net Asset Value (Beginning Asset Value plus time-weighted additions and Withdrawals) *multiplied* by 100.
3. Worst Peak-to-Valley drawdown is the greatest cumulative percentage decline in month-end net asset value of the pool due to losses during a period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.
4. The fund as named 'Aggressive Fund LLC' and operated by the Trading Advisor from inception through December 2006. Marathon Investments, Inc. acted as the operator from January 2007 through February 2013. The Manager has operated the fund since March 2013, at which time the name was changed to the Attain Managed Futures Trend Following Fund LLC. **The Trading Advisor has not changed since inception.** 5. The table above shows the composite performance across all classes of the Fund from January 2008 through September 2013. Effective December 2012, the Fund wrote down a portion of its assets frozen due to the bankruptcy of Peregrine Financial Group Inc. ("PFG"), the Fund's prior brokerage firm. This write down was only allocated to those investors that were in the Fund as of July 12, 2012, when PFG filed for bankruptcy. As a result of the write down, the Fund's composite performance for December 2012 was -10.71%, despite that the fund had positive trading performance in that month of +3.23%. Additionally, the classes holding PFG assets, while not subject to trading profits or losses, are included in the performance calculations in the composite performance table for 2013. Table II presents the actual trading performance of the fund following the PFG bankruptcy, excluding the Classes holding PFG assets and subject to the PFG writedown in December 2012.

Table 2: Fund Trading Performance

**Attain Managed Futures Trend Following Fund LLC**  
(Composite of All Classes excluding PFG Write Down)

**Capsule Performance Summary**

Period 1/1/2010 to 03/31/2015

Inception of Trading:	February 2004
Type of Pool:	Privately Offered/Single Advisor Pool
Gross Aggregate Subscriptions of the Fund:	\$14,654,661
Net Asset Value of the Fund:	\$7,173,424
Largest monthly draw-down (Composite – past 5yrs):	-9.64% (May-11)
Worst peak-to-valley draw-down (Composite – past 5yrs):	-19.47% (Jun-13 to May-14)

**MONTHLY AND ANNUAL RATES OF RETURN**

	2010	2011	2012	2013	2014	2015
Jan	-4.77%	-2.27%	-1.27%	6.88%	-4.91%	0.58%
Feb	-0.72%	3.75%	2.01%	-6.80%	3.23%	-1.37%
Mar	-1.34%	0.43%	-3.02%	3.76%	-2.08%	-2.10%
Apr	5.03%	9.90%	-4.16%	2.88%	-1.30%	
May	1.18%	-9.64%	0.14%	5.44%	-0.64%	
Jun	1.37%	-3.36%	-5.72%	-8.98%	0.60%	
Jul	-2.27%	5.59%	8.72%	-2.14%	-0.19%	
Aug	5.39%	3.58%	2.35%	0.28%	2.57%	
Sept	8.59%	-0.61%	6.37%	-4.82%	12.81%	
Oct	6.02%	-4.20%	-8.77%	1.08%	4.12%	
Nov	-1.00%	0.92%	1.19%	-0.92%	6.81%	
Dec	8.84%	0.43%	3.23%	0.33%	2.39%	
Annual Rate of Return	<b>28.39%</b>	<b>3.13%</b>	<b>-0.31%</b>	<b>-4.22%</b>	<b>24.74%</b>	<b>-2.88%</b>

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

Notes:

1. Drawdown means peak to trough losses experienced by the pool over the specified period.
2. Rate of Return is calculated by dividing the Net Performance by the Adjusted Beginning Net Asset Value (Beginning Asset Value plus time-weighted additions and Withdrawals) *multiplied by 100*.
3. Worst Peak-to-Valley drawdown is the greatest cumulative percentage decline in month-end net asset value of the pool due to losses during a period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.
4. Effective December 2012, the Fund wrote down a portion of its assets frozen due to the bankruptcy of Peregrine Financial Group Inc. (“PFG”), the Fund’s prior brokerage firm. This write down was only allocated to those investors that were in the Fund as of July 12, 2012, when PFG filed for bankruptcy. As a result of the write down, the Fund sub-divided those investors who were subject to a the PFG write down into a separate class of Interest called “Limited Liability Membership Interests with PFG Write Down.” On March 1, 2013, the “Limited Liability Membership Interests with PFG Write Down” were reclassified as “Founders Class with PFG Write Down.” Table II presents the actual trading performance of the fund and excludes those classes holding PFG assets and subject to the PFG write down in December 2012.

## THE MANAGER

### Attain Portfolio Advisors, LLC

Attain Portfolio Advisors, LLC is the Manager of the Fund and the Fund's CPO. In such capacity, the Manager manages the Fund's activities. The past performance of the Fund can be found on pages 20-22.

The Manager is an Illinois limited liability company organized on January 13, 2004. The Manager has been registered with the CFTC as a CTA since January 21, 2004, and has also been a member of NFA since that date (NFA membership number: 0339046). The Manager was registered as a CPO from January 21, 2004 to January 7, 2008, then operated as an exempt CPO from January 7, 2008 to July 1, 2008, and has been registered as a CPO since July 1, 2008. The firm is located at 621 S. Plymouth Ct., Floor 1, Chicago, Illinois 60605; telephone (312) 870-1520; facsimile (312) 275-8123. The books and records of the Manager are kept and made available for inspection at this address.

The principals of the Manager are Reliance Capital Markets II, LLC and Jeffrey D. Malec. Mr. Malec is responsible for making operational decisions for the Fund.

### Jeffrey D. Malec

Mr. Malec received a B.A. degree in Philosophy with a minor in economics from Union College in Schenectady, New York in 1996.

In September 1997, he took a position with Conaghan Trading Group ("Conaghan") at the Chicago Board of Trade. Conaghan was an independent filling broker group in the 30 Year Treasury Bond futures pit. While at Conaghan, Mr. Malec gained first-hand knowledge of the financial futures markets clerking in the trading pits. He assisted a top filling broker in the 30 Year Treasury Bond futures pit in receiving orders, relaying market prices, tabulating profit or loss for the day, estimating and interpreting market-moving economic reports. He left Conaghan in January 1998.

From February 1998 through April 1998, Mr. Malec was a professional sailor, before joining the retail futures desk at Ira Epstein Company, a non-clearing FCM from October 1998 to April 1999. He was in between jobs from May 1998 to September 1998.

Mr. Malec moved on to launch a proprietary trading firm known as Vandelay from May 1999 through August 1999, developing computerized trading models and strategies for trading in stock index and interest rate futures. In September 1999, Mr. Malec joined Striker Securities Inc. ("Striker"), becoming registered as an Associated Person ("AP") on October 20, 1999. In July 2002, he left Striker and joined Refco LLC, a registered FCM, where he was registered as an AP from August to November 2002.

Mr. Malec then formed Attain Capital Management, LLC ("ACM"), a registered IB, becoming approved as a principal and registered as an AP of the firm on October 25, 2002. On January 13, 2004 he formed Attain, where he has been approved as a principal since January 14, 2004 and registered as an AP since January 21, 2004. On September 13, 2006, Mr. Malec became a principal of S&A Advisors LLC ("S&A"), a registered CTA. He was registered as a Branch Office Manager of S&A on October 27, 2006, and as an AP on September 19, 2006. His registrations and principal status with S&A were withdrawn on February 7, 2008. On March 2, 2015,

Mr. Malec became approved as a principal and dual registered as an AP of Reliance Capital Markets II LLC.

Mr. Malec served on the National Futures Association Board of Directors, as the Independent Introducing Broker representative, from February 2013 to February 2015.

Mr. Malec has passed the Series 3, Series 7, Series 63 and Series 24 examinations, and is proficient with a wide array of computer software for trading and financial analysis. Mr. Malec holds the Chartered Alternative Investment Analyst (“CAIA”) designation. The CAIA charter is a mark of distinction that demonstrates the member’s commitment to excellence. To earn the charter, each candidate must pass both the Level I and Level II exams, and must also meet several basic requirements. The CAIA curriculum is designed to provide finance professionals with a broad base of knowledge in traditional and modern alternative investment vehicles, including real estate, private equity and commodities, as well as hedge funds and managed futures. The CAIA Association is the sponsoring body for the CAIA designation, and is in turn sponsored by the Alternative Investment Management Association (AIMA) and the Center for International Securities and Derivatives Markets (CISDM) — two organizations providing global leadership for alternative investment professionals by setting the highest standards in alternative investment education, professional conduct and advocacy programs.

### Reliance Capital Markets II, LLC

Reliance Capital Markets II (“RCM”) is the sole equity member of the Manager, with Messrs. Robert Schwartz, Edmund Sweeney, and Martin Fiascone each owning more than a 10% interest of RCM. Messrs. Schwartz, Sweeney, and Fiascone are not involved in the trading or operational decisions of the fund, nor supervise anyone who is, thus listed here without background information per CFTC Rule 4.24.

RCM is also the Introducing Broker for the Fund.

### Litigation

Neither the Manager nor any of its principals have been the subject of any administrative, civil, or criminal action, whether pending, on appeal, or concluded, within the preceding five years that the Manager would deem material for purposes of the Part 4 Regulations of the CFTC, except that on June 28, 2007, NFA’s Business Conduct Committee issued a complaint against ACM and Mr. Malec, the Manager’s principal. The four-count complaint alleged that ACM and/or Mr. Malec, and Mr. Walter Gallwas violated certain NFA rules relating to promotional material, record keeping, supervision and anti-money laundering policies. On August 10, 2007, ACM answered the complaint, denying all wrongdoing. On April 22, 2008, NFA accepted an Offer of Settlement presented by ACM, Mr. Malec, and Mr. Gallwas, whereby ACM agreed to pay a sum of \$25,000 without admitting the allegations in the complaints. Further, the Offer of Settlement contained no finding of any violations against Mr. Malec or Mr. Gallwas.

## THE CLEARING BROKER AND INTRODUCING BROKER

The Fund will maintain a futures trading account at multiple FCMs, with the Manage reserving the right to add and/or change clearing brokers in the future. The current FCMs at which futures trading accounts are maintained include:

### Morgan Stanley & Co. LLC

Effective on or about April 1, 2007, Morgan Stanley DW Inc. (“MSDW”) was merged into Morgan Stanley & Co. Incorporated, which assumed all of the responsibilities of MSDW. For purposes of clarity, however, MSDW’s litigation disclosure will be retained and listed separately, in relevant part, until the fifth anniversary of the date of each specific disclosure item in the MSDW sub-section.

On June 1, 2011, Morgan Stanley & Co. Incorporated converted from a Delaware corporation to a Delaware limited liability company. As a result of that conversion, Morgan Stanley & Co. Incorporated is now named Morgan Stanley & Co. LLC (“MS&Co.” or the “Company”).

MS&Co. is a wholly-owned, indirect subsidiary of Morgan Stanley (“MS”), a Delaware holding company. MS files periodic reports with the Securities and Exchange Commission as required by the Securities Exchange Act of 1934, which include current descriptions of material litigation and material proceedings and investigations, if any, by governmental and/or regulatory agencies or self-regulatory organizations concerning MS and its subsidiaries, including MS&Co. As a consolidated subsidiary of MS, MS&Co. does not file its own periodic reports with the SEC that contain descriptions of material litigation, proceedings and investigations. As a result, we refer you to the “Legal Proceedings” section of MS’s SEC 10-K filings for 2012, 2011, 2010, 2009, and 2008.

In addition to the matters described in those filings, in the normal course of business, each of MS and MS&Co. has been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions, and other litigation, arising in connection with its activities as a global diversified financial services institution. Certain of the legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. Each of MS and MS&Co. is also involved, from time to time, in investigations and proceedings by governmental and/or regulatory agencies or self-regulatory organizations, certain of which may result in adverse judgments, fines or penalties. The number of these investigations and proceedings has increased in recent years with regard to many financial services institutions, including MS and MS&Co.

MS&Co. is a Delaware corporation with its main business office located at 1585 Broadway, New York, New York 10036. Among other registrations and memberships, MS&Co. is registered as a futures commission merchant and is a member of the National Futures Association.

During the preceding five years, the following administrative, civil, or criminal actions pending, on appeal or concluded against MS&Co. or any of its principals are material within the meaning of CFTC Rule 4.24(1)(2) or 4.34(k)(2):

On June 2, 2009, MS executed a final settlement with the Office of the New York State Attorney General (“NYAG”) in connection with its investigation relating to the sale of auction-rate securities (“ARS”). MS agreed, among other things to: (1) repurchase at par illiquid ARS that were purchased by certain retail clients prior to February 13, 2008; (2) pay certain retail clients that sold ARS below par the difference between par and the price at which the clients sold the securities; (3) arbitrate, under special procedures, claims for consequential damages by certain retail clients; (4) refund refinancing fees to certain municipal issuers of ARS; and (5) pay a total penalty of \$35 million. On August 13, 2008, MS



reached an agreement in principle on substantially the same terms with the Office of the Illinois Secretary of State, Securities Department (on behalf of a task force of other states under the auspices of the North American Securities Administrators Association) that would settle their investigations into the same matters. A separate investigation of these matters by the SEC remains ongoing.

On June 5, 2012, the Company consented to and became the subject of an Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, as amended, Making Findings and Imposing Remedial Sanctions by The Commodity Futures Trading Commission (CFTC) to resolve allegations related to the failure of a salesperson to comply with exchange rules that prohibit off-exchange futures transactions unless there is an Exchange for Related Position (EFRP). Specifically, the CFTC found that from April 2008 through October 2009, the Company violated Section 4c(a) of the Commodity Exchange Act and Commission Regulation 1.38 by executing, processing and reporting numerous off-exchange futures trades to the Chicago Mercantile Exchange (CME) and Chicago Board of Trade (CBOT) as EFRPs in violation of CME and CBOT rules because those trades lacked the corresponding and related cash, OTC swap, OTC option, or other OTC derivative position. In addition, the CFTC found that the Company violated CFTC Regulation 166.3 by failing to supervise the handling of the trades at issue and failing to have adequate policies and procedures designed to detect and deter the violations of the Act and Regulations. Without admitting or denying the underlying allegations and without adjudication of any issue of law or fact, the Company accepted and consented to entry of findings and the imposition of a cease and desist order, a fine of \$5,000,000, and undertakings related to public statements, cooperation and payment of the fine. The Company entered into corresponding and related settlements with the CME and CBOT in which the CME found that the Company violated CME Rules 432.Q and 538 and fined the Company \$750,000 and CBOT found that the Company violated CBOT Rules 432.Q and 538 and fined the Company \$1,000,000.

On August 25, 2008, the Company and two ratings agencies were named as defendants in a purported class action related to securities issued by a structured investment vehicle called Cheyne Finance PLC and Cheyne Finance LLC (together, the "Cheyne SIV"). The case is styled Abu Dhabi Commercial Bank, et al. v. Morgan Stanley & Co. Inc., et al. and is pending in the United States District Court for the Southern District of New York ("SDNY"). The complaint alleges, among other things, that the ratings assigned to the securities issued by the Cheyne SIV were false and misleading, including because the ratings did not accurately reflect the risks associated with the subprime residential mortgage backed securities held by the Cheyne SIV. The plaintiffs currently assert allegations of aiding and abetting fraud and negligent misrepresentation relating to approximately \$852 million of securities issued by the Cheyne SIV. The plaintiffs' motion for class certification was denied in June 2010. The court denied the Company's motion for summary judgment on the aiding and abetting fraud claim in August 2012.

The Company's motion for summary judgment on the negligent misrepresentation claim, filed on November 30, 2012, is pending. The court has set a trial date of May 6, 2013. There are currently 14 named plaintiffs in the action claiming damages of approximately \$638 million. Plaintiffs are also seeking punitive damages. Based on currently available information, the Company believes that the defendants could incur a loss up to approximately \$638 million, plus pre- and post-judgment interest, fees and costs.

On March 15, 2010, the Federal Home Loan Bank of San Francisco filed two complaints against the Company and other defendants in the Superior Court of the State of California. These actions are styled Federal Home Loan Bank of San Francisco v. Credit Suisse Securities (USA) LLC, et al., and Federal Home Loan Bank of San Francisco v. Deutsche Bank Securities Inc. et al., respectively. Amended complaints were filed on June 10, 2010. The amended complaints allege that defendants made untrue statements and material omissions in connection with the sale to plaintiff of a number of mortgage pass through certificates backed by securitization trusts containing residential mortgage loans. The amount of

certificates allegedly sold to plaintiff by the Company in these cases was approximately \$704 million and \$276 million, respectively. The complaints raise claims under both the federal securities laws and California law and seek, among other things, to rescind the plaintiff's purchase of such certificates. On July 29, 2011 and September 8, 2011, the court presiding over both actions sustained defendants' demurrers with respect to claims brought under the Securities Act, and overruled defendants' demurrers with respect to all other claims. At January 25, 2013, the current unpaid balance of the mortgage pass through certificates at issue in these cases was approximately \$365 million, and the certificates had not yet incurred losses. Based on currently available information, the Company believes it could incur a loss up to the difference between the \$365 million unpaid balance of these certificates and their fair market value at the time of a judgment against the Company, plus pre- and post-judgment interest, fees and costs. The Company may be entitled to be indemnified for some of these losses and to an offset for interest received by the plaintiff prior to a judgment.

On July 9, 2010 and February 11, 2011, Cambridge Place Investment Management Inc. filed two separate complaints against the Company and other defendants in the Superior Court of the Commonwealth of Massachusetts, both styled Cambridge Place Investment Management Inc. v. Morgan Stanley & Co., Inc., et al. The complaints assert claims on behalf of certain clients of plaintiff's affiliates and alleges that defendants made untrue statements and material omissions in the sale of a number of mortgage pass through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly issued by the Company or sold to plaintiff's affiliates' clients by the Company in the two matters was approximately \$344 million. The complaints raise claims under the Massachusetts Uniform Securities Act and seek, among other things, to rescind the plaintiff's purchase of such certificates. On October 14, 2011, plaintiffs filed an amended complaint in each action. On November 22, 2011, defendants filed a motion to dismiss the amended complaints. On March 12, 2012, the court denied defendants' motion to dismiss with respect to plaintiff's standing to bring suit. Defendants sought interlocutory appeal from that decision on April 11, 2012. On April 26, 2012, defendants filed a second motion to dismiss for failure to state a claim upon which relief can be granted, which the court denied, in substantial part, on October 2, 2012. Based on currently available information, the Company believes it could incur a loss for these actions of up to the difference between the as yet undetermined unpaid balance of these certificates and their fair market value at the time of a judgment against the Company, plus pre- and post-judgment interest, fees and costs. The Company may be entitled to be indemnified for some of these losses and to an offset for interest received by the plaintiff prior to a judgment.

On July 15, 2010, China Development Industrial Bank ("CDIB") filed a complaint against the Company, which is styled China Development Industrial Bank v. Morgan Stanley & Co. Incorporated et al. and is pending in the Supreme Court of the State of New York, New York County ("Supreme Court of NY, NY County"). The complaint relates to a \$275 million credit default swap referencing the super senior portion of the STACK 2006-1 CDO. The complaint asserts claims for common law fraud, fraudulent inducement and fraudulent concealment and alleges that the Company misrepresented the risks of the STACK 2006-1 CDO to CDIB, and that the Company knew that the assets backing the CDO were of poor quality when it entered into the credit default swap with CDIB. The complaint seeks compensatory damages related to the approximately \$228 million that CDIB alleges it has already lost under the credit default swap, rescission of CDIB's obligation to pay an additional \$12 million, punitive damages, equitable relief, fees and costs. On February 28, 2011, the court presiding over this action denied the Company's motion to dismiss the complaint and on March 21, 2011, the Company appealed that order. On July 7, 2011, the appellate court affirmed the lower court's decision denying the motion to dismiss. Based on currently available information, the Company believes it could incur a loss of up to approximately \$240 million plus pre- and post-judgment interest, fees and costs.

On October 15, 2010, the Federal Home Loan Bank of Chicago filed a complaint against the Company and other defendants in the Circuit Court of the State of Illinois styled *Federal Home Loan Bank of Chicago v. Bank of America Funding Corporation et al.* The complaint alleges that defendants made untrue statements and material omissions in the sale to plaintiff of a number of mortgage pass through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sold to plaintiff by the Company in this action was approximately \$203 million. The complaint raises claims under Illinois law and seeks, among other things, to rescind the plaintiff's purchase of such certificates. On March 24, 2011, the court granted plaintiff leave to file an amended complaint. On May 27, 2011, defendants filed a motion to dismiss the amended complaint, which motion was denied on September 19, 2012. The Company filed its answer on December 21, 2012. At January 25, 2013, the current unpaid balance of the mortgage pass through certificates at issue in this case was approximately \$105 million, and certain certificates had begun to incur losses. Based on currently available information, the Company believes it could incur a loss up to the difference between the \$105 million unpaid balance of these certificates (plus any losses incurred) and their fair market value at the time of a judgment against the Company, plus pre- and post-judgment interest, fees and costs. The Company may be entitled to be indemnified for some of these losses and to an offset for interest received by the plaintiff prior to a judgment.

On July 18, 2011, the Western and Southern Life Insurance Company and certain affiliated companies filed a complaint against the Company and other defendants in the Court of Common Pleas in Ohio, styled *Western and Southern Life Insurance Company, et al. v. Morgan Stanley Mortgage Capital Inc., et al.* An amended complaint was filed on April 2, 2012 and alleges that defendants made untrue statements and material omissions in the sale to plaintiffs of certain mortgage pass through certificates backed by securitization trusts containing residential mortgage loans. The amount of the certificates allegedly sold to plaintiffs by the Company was approximately \$153 million. The amended complaint raises claims under the Ohio Securities Act, federal securities laws, and common law and seeks, among other things, to rescind the plaintiffs' purchases of such certificates. On May 21, 2012, the Company filed a motion to dismiss the amended complaint, which motion was denied on August 3, 2012. The court has set a trial date of November 2013. At January 25, 2013, the current unpaid balance of the mortgage pass through certificates at issue in this case was approximately \$123 million, and certain certificates had begun to incur losses. Based on currently available information, the Company believes it could incur a loss up to the difference between the \$123 million unpaid balance of these certificates (plus any losses incurred) and their fair market value at the time of a judgment against the Company, plus post-judgment interest, fees and costs. The Company may be entitled to an offset for interest received by the plaintiff prior to a judgment.

On September 2, 2011, the Federal Housing Finance Agency ("FHFA"), as conservator for Fannie Mae and Freddie Mac, filed 17 complaints against numerous financial services companies, including the Company. A complaint against the Company and other defendants was filed in the Supreme Court of NY, NY County, styled *Federal Housing Finance Agency, as Conservator v. Morgan Stanley et al.* The complaint alleges that defendants made untrue statements and material omissions in connection with the sale to Fannie Mae and Freddie Mac of residential mortgage pass through certificates with an original unpaid balance of approximately \$11 billion. The complaint raises claims under federal and state securities laws and common law and seeks, among other things, rescission and compensatory and punitive damages. On September 26, 2011, defendants removed the action to the SDNY and on October 26, 2011, the FHFA moved to remand the action back to the Supreme Court of the State of New York. On May 11, 2012, plaintiff withdrew its motion to remand. On July 13, 2012, the Company filed a motion to dismiss the complaint, which motion was denied in large part on November 19, 2012. Trial is currently scheduled to begin in January 2015. At January 25, 2013, the current unpaid balance of the mortgage pass through certificates at issue in these cases was approximately \$2.9 billion, and the certificates had incurred losses in excess of \$40 million. Based on currently available information, the Company believes

it could incur a loss up to the difference between the \$2.9 billion unpaid balance of these certificates (plus any losses incurred) and their fair market value at the time of a judgment against the Company, plus pre- and post-judgment interest, fees and costs. The Company may be entitled to be indemnified for some of these losses and to an offset for interest received by the plaintiff prior to a judgment.

### **ADM Investor Services, Inc.**

ADM Investor Services, Inc. (“ADMIS”) is a registered futures commission merchant and is a member of the National Futures Association. Its main office is located at 141 W. Jackson Blvd., Suit 1600A, Chicago, IL 60604. In the normal course of its business, ADMIS is involved in various legal actions incidental to its commodities business. None of these actions are expected either individually or in aggregate to have a material adverse impact on ADMIS.

Neither ADMIS nor any of its principals have been the subject of any material administrative, civil or criminal actions within the past five years, except CFTC Orders entered on March 26, 2009 and September 30, 2013. In the March 26, 2009 order, the CFTC found that during 2002 to 2004, ADMIS lacked adequate procedures concerning post execution allocation of bunched orders and that it allowed an account manager to carry out post-execution allocations one or more days after the day the trades were executed and that it failed to maintain certain records to identify orders subject to post execution allocation, in violation of Section 4g of the Commodity Exchange Act and Commission Regulations 66.3, 1.35 and 1.31. The order imposed a remedial sanction of \$200,000 and required ADMIS to implement enhanced procedures for post execution allocation of trades. In the September 30, 2013 order, the CFTC found that prior to July, 2011, ADMIS combined the funds of certain ADM affiliates with the funds of customers in ADMIS’s proprietary accounts, in violation of Section 4d(a)(2) of the Commodity Exchange Act and Commission Regulation 1.20(c). The order imposed a civil monetary penalty of \$425,000.

### **Introducing Broker**

Reliance Capital Markets, LLC (“RCM”) serves as the IB. As the IB, RCM provides certain brokerage services to the Fund, and introduces the Fund’s trading accounts to the Clearing Broker. RCM is a Florida limited liability company organized on July 7, 2010. RCM has been a member of the NFA and registered with the CFTC as an IB since April 19th, 2011. In addition, RCM has been registered with the CFTC as a Forex Firm since October 7, 2011 and a Swap Firm since December 11, 2013. The firm is located at 621 S. Plymouth Ct., Chicago, Illinois 60605; telephone (312) 870-1500. RCM receives substantial compensation for providing its services to the Fund. The Fund will directly pay the Clearing Brokers for clearing and execution costs and RCM will retain the difference between the brokerage commissions paid by the Fund and such costs. The Manager expects that the brokerage commissions retained by RCM will approximate 0.30% of the Fund’s average month-end Net Asset Value per annum.

There has been no material administrative, civil or criminal action, whether pending or concluded, involving RCM or its principals other than as described under “The Manager,” above.

### **THE ADMINISTRATOR**

NAV Consulting Inc. is the administrator of the Fund. The Administrator has agreed to perform certain accounting, back-office, data processing and related professional services. The fee payable to the Administrator is based on its standard schedule of fees charged for similar services.

Pursuant to an agreement (the “Administration Agreement”) entered into between Administrator and the Fund, the Administrator will be responsible, under the ultimate supervision of the Manager, for

certain matters pertaining to the accounting, back-office, data processing, calculation of the Net Asset Value and related professional services for the Fund.

In performing its duties, the Administrator will be entitled to rely, and generally will rely, on information provided to it by the third parties, including the Manager, and will not be responsible for errors contained in such information received.

The Agreement provides that in the absence of gross negligence, willful misfeasance, or material breach of the Administration Agreement, the Administrator will not be liable to the Fund or its Members, and will be indemnified by the Fund against liabilities to third parties in connection with the performance of its services. The Administrator will not be responsible for any tax basis reporting to the Members. The Administrator will have no responsibility with respect to trading activities of the Fund (or the monitoring thereof), the activities of the Manager, the management of the Fund or the accuracy or adequacy of the offering documents. The Administrator does not act as an offeror of the Interests or a guarantor of the value thereof.

The Fund agrees to indemnify, defend, and hold harmless the Administrator, its officers, directors, shareholders, employees, agents, and affiliates (the “NAV Parties”) and their respective successors and assigns from and against any liability, loss, cost, or expense (including, without limitation, reasonable legal fees and expenses) (collectively, “Losses”) of the NAV Parties arising from, related to, or in connection with, the Administrator’s services, unless such Losses are the direct result of the gross negligence, willful misfeasance, or material breach of the Administration Agreement of the NAV Parties provided, however, that in no event shall the NAV Parties have any liability under the Administration Agreement for any amount in excess of the fees paid to the NAV Parties by the Fund in the twelve (12) months prior to the occurrence of such Losses.

## **RISK FACTORS**

*The Interests are speculative and illiquid securities involving substantial risk of loss and are suitable for investment only by sophisticated investors for which an investment in the Fund does not represent a complete investment program and which fully understand and are capable of assuming the risks of the diversified markets and of an investment in the Fund. The following list of risk factors does not purport to be complete nor to provide more than an indication of the nature even of the risks which are described. An investment in the Fund should only be made, if at all, after consultation with a prospective investor’s professional advisors. Investors may lose all or substantially all of their investment.*

*The commodities markets are susceptible to significant short-term price volatility (and may be more so than the financial instruments markets) as a result of a variety of factors, including weather-related events, the inability to store electricity, rate and tariff regulation, recurring breakdowns in the facilities necessary to produce, transport, store and deliver physical assets, unexpected spikes in demand, consumer advocacy, etc. The commodities markets have recently demonstrated extreme volatility as well as unprecedented price levels.*

### **General Risks**

#### **Potential Loss of Investment**

An investment in the Fund is speculative and involves substantial risks. Investors may lose all or substantially all of their investment. No Member should have any need for any monies invested in the Fund to meet current needs or ongoing financial requirements.

Leveraged futures strategies — such as those implemented by the Trading Advisor — are subject to a “risk of ruin” to which traditional, unleveraged, all-long strategies are not.

### **The Trading Advisor is the Sole Trading Advisor of the Fund**

Unlike certain other investment vehicles, the Fund has only one Trading Advisor. Accordingly, the Fund does not have the benefit of diversification of trading methods.

The Manager may only select a new or additional trading advisor for the Fund with the consent of Covenant Capital Management of Tennessee, LLC, the Fund’s current Trading Advisor. Thus, investors should not expect the Fund to be traded by any other trading advisor other than Covenant Capital Management of Tennessee, LLC.

### **Reliance on Information Received from the Trading Advisor**

The Manager has no means of independently verifying the information supplied to it by the Trading Advisor. All information relating to the Trading Advisor included in this Memorandum or otherwise provided by the Manager to Members will generally be based on information received from the Trading Advisor. There can be no assurance that such information will be accurate.

Members themselves will have no direct relationship with the Trading Advisor.

### **Past Performance**

The past performance of the Trading Advisor is not necessarily indicative of future performance, given the uncertainty and speculative nature of the Trading Advisor’s strategy.

### **Volatile Markets; Highly Leveraged Trading**

Trading in the futures and forward markets typically results in volatile performance. Market price levels fluctuate dramatically and may be materially affected by unpredictable factors such as weather and governmental intervention. The low margin requirements normally required in futures and forward trading permit an extremely high degree of leverage. The combination of leverage and volatility creates a high degree of risk. Additionally, although the Trading Advisor may initiate stop-loss orders on certain positions to limit downside exposure, there can be no assurance that any such stop-loss order will be executed or, even if executed, that it will be executed at the desired price or time.

### **Substantial Charges**

The Fund is subject to substantial charges, payable irrespective of profitability.

### **No Assurance of Non-Correlation; Limited Value of Non-Correlation Even if Achieved**

There can be no assurance that the Fund’s results will be non-correlated with (*i.e.*, unrelated to) the general stock and bond markets. Unless the Fund’s performance is non-correlated to these markets, the Fund cannot help to diversify an overall portfolio.

Investors should evaluate an investment in the Fund in comparison to the alternative of an investment in a cash equivalent, such as 91-day U.S. Treasury bills, which can be relied upon to: (i) be generally non-correlated with equity and debt price levels; (ii) generate a positive yield and cash flow;

(iii) be highly liquid; (iv) have almost no risk of loss of principal; and (v) incur virtually no costs or expenses.

Even if the Fund's performance is generally both profitable and non-correlated to the general stock and bond markets, there may be significant periods during which the Fund's results are similar to those of a Member's stock and bond holdings, thereby reducing or eliminating the Fund's diversification benefits. During unfavorable economic cycles, an investment in the Fund may increase rather than mitigate a portfolio's aggregate losses.

### **Importance of General Market Conditions**

Overall market or economic conditions — which the Trading Advisor cannot predict or control — have a material effect on the performance of the Trading Advisor's strategy. The Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The minimum margin requirements imposed by futures exchanges on open futures positions are typically substantially increased in disrupted markets, which could cause the Fund to have liquidated certain of the Fund's positions, likely at disadvantageous prices. The financing available to the Fund from banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Fund. Market disruptions may from time to time cause dramatic losses for the Fund and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

In disrupted markets, brokers and dealers may — and derivatives exchanges and clearinghouses may require that brokers and dealers which are members of such exchanges or clearinghouses — materially increase their margin requirements. For example, at the outbreak of the Kuwait-Iraq War, the London International Petroleum Exchange raised the required margin on its energy contracts to over 50% of the notional amount of the contracts. This forced a number of traders to close-out their positions as they could not meet the margin calls. Particularly severe losses were incurred by traders with "spread" positions (such as many that the Fund will trade) between London Gas-Oil and NYMEX (now, New York Board of Trade) Natural Gas, as they were left with a "naked" position in the latter contract, having been forced out of the former by the related margin calls.

### **Risk of Loss Due to the Bankruptcy or Failure of One of the Counterparties, Brokers or Exchanges**

The Fund is subject to the risk of the insolvency of its counterparties (such as broker-dealers, FCMs, banks or other financial institutions, exchanges or clearinghouses).

The Fund's assets could be lost or impounded during a counterparty's bankruptcy or insolvency proceedings and a substantial portion or all of the Fund's assets could become unavailable to it either permanently or for a matter of years. Were any such bankruptcy or insolvency to occur, the Manager might decide to liquidate, suspend, limit or otherwise alter the Manager's trading for the Fund, perhaps causing the Fund to miss significant profit opportunities and/or to suspend Withdrawals. Even if the Fund does not lose any of its assets on deposit with a bankrupt or insolvent counterparty, the disruption of the Fund's trading resulting from such counterparty's inability to continue to function in such capacity could result in material losses to the Fund. Open positions held by the Fund may not be closed out merely because an insolvent counterparty to the Fund is unable to execute transactions, and may result in substantial losses which the Fund is powerless to prevent.

There are increased risks in the Fund dealing with certain brokers and unregulated trading counterparties, including the risk that the Fund's assets may not benefit from the protection afforded to "customer funds" deposited with regulated brokers and dealers. The Fund may be required to post margin for its trading activities with counterparties who are not required to segregate customer funds. In the case of a counterparty's bankruptcy or inability to satisfy substantial deficiencies in other customer accounts, the Fund may recover, even with respect to property specifically traceable to it, only a *pro rata* share of all property available for distribution to all of such counterparty's customers.

FCMs are required to segregate assets pursuant to CFTC regulations. If the assets of the Fund were not so segregated by its FCM, the Fund would be subject to the risk of the failure of such FCM. Even given proper segregation, in the event of the insolvency of an FCM, the Fund may be subject to a risk of loss of its funds and would be able to recover only a *pro rata* share (together with all other commodity customers of such FCM) of assets, such as U.S. Treasury bills, specifically traceable to the account of the Fund and the Members (see above). In certain commodity broker insolvencies, customers have, in fact, been unable to recover from the broker's estate the full amount of their "customer" funds. In addition, under certain circumstances, such as the inability of another client of an FCM or the FCM itself to satisfy substantial deficiencies in such other client's account, the Fund may be subject to a risk of loss of the assets on deposit with the FCM, even if such assets are properly segregated.

While the Refco, Inc. ("Refco"), MF Global, Inc. ("MF Global"), and PFG ("PFG") bankruptcies did not have the same widespread systemic consequences as the Lehman Brothers bankruptcies, they demonstrate a number of systemic risks in trading through commodity brokers. It appears that many clients of both Refco and MF Global believed that their funds on deposit to support their trading had the benefit of customer protected "segregation" when this was not, in fact, the case; while those clients of PFG had money fraudulently withdrawn out of otherwise protected 'segregated' accounts.

The Refco bankruptcy demonstrated that a significant portion of customer funds on deposit with CFTC-regulated futures brokers are, as a matter of practice, maintained in "unregulated" rather than "regulated" accounts at the futures brokers. The futures brokers do not have to maintain "net capital" with respect to amounts on deposit in unregulated accounts. However, amounts in unregulated accounts are not subject to "customer protection" in the event of the futures broker's bankruptcy — in which case such amounts become simply unsecured debts of the futures brokers.

In the case of MF Global, the uses which MF Global was able to make of customer funds in attempting to generate more profit for MF Global not only led to the bankruptcy of MF Global but also the apparent loss of a significant amount of such customer funds.

In the case of PFG, the ability of the company owner to move customer segregated funds into personal and corporate accounts through the subversion of internal controls and regular audits by futures regulators spawned changes in the audit module of the National Futures Association to include electronic bank account verification and stricter audit standards regarding internal controls.

Another feature of the Refco and MF Global bankruptcies was that certain investors which suffered the largest losses did so not because their capital at Refco or MF Global was lost (although some of it was) but because they were unable to determine with certainty which positions they should hold and which positions had been involuntarily liquidated. In addition, certain investors were unable to execute trades for several days due to the processing time required to open brokerage accounts at other firms, and, accordingly, were unable to mitigate the risks of their open positions during such period.



## **Lehman Brothers Bankruptcies**

The Lehman Brothers bankruptcies in September 2008 led to widespread chaos in the global financial markets, as well as significant outright losses as numerous market participants found themselves in the position of being general creditors of Lehman Brothers even with respect to assets which they had deposited with Lehman Brothers. The effects of the Lehman Brothers bankruptcies, as well as the ensuing events, led to a dramatic contraction in credit (including even inter-bank lending) and steep monetary losses in the financial sector. The ramifications of the Lehman Brothers bankruptcies are unlikely to be resolved for a number of years, but could be adverse to the prospects for the Fund and/or private investment funds in general. Moreover, the Lehman Brothers bankruptcies have demonstrated the systemic risks of any comparable failure. It is not possible to predict if or when one or more such failures might occur. Were this to happen, the results could be materially adverse to the Fund.

## **Peregrine Financial Group Inc.'s Bankruptcy**

A portion of the Fund's assets were frozen due to the bankruptcy of Peregrine Financial Group Inc. ("PFG"), the Fund's prior brokerage firm. As of the date of this document, \$1,824,679 of the Fund's assets are frozen at PFG (which represents approximately 22% of the Fund's assets). The Fund does not have immediate access to any of its frozen assets. There is no assurance as to the amount or value of those assets in the context of the bankruptcy.

For accounting purposes the Fund will treat its assets at PFG as a "side pocket investment." Mechanically the side pocket investment is simply an entry on the Fund's books which is tracked separately from the Fund's commodity trading activities. It allows only those investors having an ownership interest in the Fund at the time PFG filed for bankruptcy to be exposed to the income or loss of that "side-pocketed" investment.

The Manager does not believe that these actions will have a material impact upon the operations of the Fund and its ability to:

- Satisfy redemptions requests;
- Adequately value redemption requests and the manner in which they will be handled;
- Accept new subscriptions in the Fund and properly value the net asset value for new subscribers; and
- Provide for accurate valuation in the Fund's account statements provided to participants.

See "Financial Allocations--Bankruptcy of PFG" which discusses that any investor that is admitted into the Fund after July 2012 will neither be allocated any of the money distributed from the PFG bankruptcy estate nor participate in the losses that may result from the PFG bankruptcy.

## **Insolvency of Dual-Registered Entities**

The Clearing Broker is registered as both an FCM with the CFTC and as a broker-dealer with the SEC. Other counterparties and entities holding Fund assets may also be entities registered with both the CFTC and the SEC. In the event of an insolvency of a dual-registered entity, the distribution of CFTC regulated customer funds would be governed by the CFTC's bankruptcy rules and Chapter 7 of the U.S. Bankruptcy Code, while the distribution of SEC-regulated customer funds would be governed by the Securities Investor Protection Act of 1970 and applicable provisions of the U.S. Bankruptcy Code.

Uncertainty exists regarding the application of the two separate insolvency regimes to the insolvency of a single entity.

### **Competition; Increased Assets Under Management; Potential Market Saturation**

The Fund will compete with numerous other private investment funds as well as other investors and operating companies, many of which have resources substantially greater than the Fund.

There appears to be a tendency for the rates of return achieved by managed futures advisors to decline as assets under management increase. The Trading Advisor has not agreed to limit the amount of additional equity which it may manage.

In addition to the Trading Advisor being at or near all-time highs in assets under management, the aggregate capital committed to the managed futures sector in general is also at an all-time high. The profit potential of the Fund may be materially diminished by “overcrowding” in its markets.

The more capital that is traded in these markets, the greater the competition for a finite number of positions and the less the profit potential for all strategies.

The effect of market saturation may be somewhat diminished in the case of the Fund because the Manager tends to trade in longer-dated instruments, while many speculative traders focus on the “near” contracts in which the liquidity is greatest. However, the longer-dated contracts are not only substantially less liquid than the near contracts but also materially more sensitive to changes in price and price volatility.

The Fund will be competing not just with other speculative pools of capital, but with physical market participants. Certain of these entities are among the largest corporations in the world and have resources far in excess of any that the Fund can either have or access.

### **Market Risks**

#### **Alternative Investments in General**

Alternative investments in general are highly leveraged. The diversified markets are risk transfer markets in which speculators provide the liquidity necessary for physical market participants to hedge their price risk with respect to the assets with which their businesses are involved. The regulation of these markets is typically significantly less extensive than the regulation of the securities markets, and certain markets limit the ability of speculative trading vehicles such as the Fund to participate. Possibly partially as a result, the diversified markets are periodically subject to major disruptions in which speculative traders such as the Fund have incurred substantial losses.

The particular or general types of market conditions in which the Fund may incur losses or experience unexpected performance volatility cannot be predicted, and the Fund may materially underperform other investment funds with a substantially similar investment objective and approaches.

#### **Hurricane Seasons**

In 2005, a number of markets experienced severe disruptions — and a wide range of different futures strategies incurred material losses — as a result of the effects of the 2005 hurricane season (generally late May to late September) and, in particular, Hurricanes Rita and Katrina. The

unpredictability of hurricanes and the severity of their effects on regional infrastructures, as well as on the production and transmission of a variety of different assets, creates an additional dimension of risk.

### **Unsettled Political Situation in the Middle East**

The Middle East is the principal source of the world's oil. The current unsettled political situation in the Middle East is a significant contributing factor to the volatility and unpredictability of prices in a number of different diversified markets — including currencies and gold as well as energy. There is little indication that the political unrest in the Middle East will abate in the foreseeable future.

### **Possibility of Market Illiquidity**

Although the markets traded by the Fund are typically highly liquid, certain positions held by the Fund may become illiquid under unusual market conditions, preventing the Manager from acquiring positions otherwise indicated by its strategy or making it impossible for the Manager to close out positions against which the market is moving.

Certain futures markets are subject to “daily price limits,” restricting the maximum amount by which the price of a particular contract can change during any given trading day. Once a contract's price has moved “the limit,” it may be impossible or economically non-viable to execute trades in such contract. From time to time, prices have moved “the limit” for a number of consecutive days, making it impossible for traders against whose positions the market was moving to prevent large losses. While daily limits reduce liquidity, they do not reduce ultimate losses, as such limits apply only on a day-to-day basis. The Fund may trade on certain non-U.S. markets which may be substantially more prone to periods of illiquidity than the U.S. markets, due to a variety of factors. Another instance of difficult or impossible execution occurs in thinly traded markets or markets which lack sufficient trading liquidity. As a result, no assurance can be given that the Fund's orders will be executed at or near the desired price.

### **Stagnant Markets**

Although volatility is one indication of market risk, the strategies to be employed by the Fund rely for their profitability on some level of market volatility contributing to the mispricings which they are designed to identify. Periods of trendless, stagnant markets and/or deflation have materially diminished prospects for profitability.

### **Possible Ineffectiveness of Risk Reduction Techniques**

The Trading Advisor may employ various risk reduction strategies designed to reduce the risk of the Fund's trading positions. A substantial risk remains, nonetheless, that such strategies will not always be possible to implement, and when implemented will not always be effective in limiting losses. If the Trading Advisor analyzes market conditions incorrectly, or employs a risk reduction strategy that does not correlate well with the Fund's investments, such risk reduction strategy could increase rather than mitigate losses. Risk reduction strategies may also increase the volatility of the Fund and/or result in a loss if the counterparty to the transaction does not perform as promised.

### **Possible Effects of Speculative Position Limits**

The CFTC and the commodities exchanges have established limits referred to as “speculative position limits” on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contract traded on commodities exchanges. All proprietary or client accounts owned or managed by the Trading Advisor or its principals (including the Fund) are

combined for purposes of calculating position limits. The Trading Advisor could be required to liquidate positions held for the Fund, or may not be able to fully implement its trading program, in order to comply with such limits, even though the positions attributable to the Fund do not themselves trigger the position limits. Position limits could force the Fund to liquidate profitable positions and cause the Fund to incur substantial transaction costs.

In October 2011, the CFTC adopted a separate position limits regime for 28 metals, energy and agricultural futures and options contracts and their economically equivalent swap contracts. In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Reform Act”) significantly expands the CFTC’s authority to impose position limits with respect to futures contracts, options on futures contracts, swaps that are economically equivalent to futures or options on futures, swaps that are traded on a regulated exchange and certain swaps that perform a significant price discovery function. How the CFTC will exercise such authority cannot be predicted but could adversely affect the Fund.

### **Trading of Options**

The Trading Advisor may trade and invest in options on futures contracts on behalf of the Fund. Each option on a commodity futures contract or physical commodity is a right, purchased for a certain price, to either buy or sell a commodity futures contract or physical commodity during a certain period of time for a fixed price. Although successful commodity options trading requires many of the same skills as does successful commodity futures trading, the risks involved are somewhat different. For example, if the Fund buys an option (either to sell or purchase a futures contract or commodity), it will pay a “premium” representing the market value of that option. Unless the price of the futures contract or commodity underlying the options changes and it becomes profitable to exercise or offset the option before it expires, the Fund’s account may lose the entire amount of the premium. Conversely, if the Fund sells an option (either to sell or purchase a futures contract or commodity) it will be credited with the premium but will have to deposit margin due to its contingent liability to take or deliver the futures contract or commodity underlying the option in the event the option is exercised. Sellers of options are subject to the entire loss which occurs in the underlying futures position or underlying commodity (less any premium received). The ability to trade in or exercise options may be restricted in the event that trading on U.S. commodity exchanges is restricted by the CFTC. Under the Reform Act amendments to the Commodity Exchange Act, the CFTC has the authority to regulate commodity options in the same manner that swaps will be regulated once the amendments take effect.

### **Limitations of Risk-Defined Strategies**

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

### **Strategy Risks**

#### **Systematic Strategies**

There has been, in recent years, a substantial increase in interest in technical futures trading systems, particularly trend-following systems similar to that employed by the Fund. As the capital under the management of trading systems based on the same general principles increases, an increasing number

of traders may attempt to initiate or liquidate substantial positions at or about the same time as the Fund, or otherwise alter historical trading patterns or affect the execution of trades, to the significant detriment of the Fund.

There is some tendency for managed futures products — particularly those managed by systematic, trend-following advisors — to perform similarly during the same or approximately the same periods. Prospective investors must recognize that, irrespective of the skill and expertise of the Trading Advisor, the success of the Fund may be substantially dependent on general market conditions over which the Trading Advisor has no control. Furthermore, the profit potential of trend-following systems may be diminished by the changing character of the markets, which may make historical price data (on which technical trading systems are based) only marginally relevant to future market patterns.

In addition, there has been an increase in the use of trading systems employing counter-trend techniques that attempt to profit from the wide use of trend-following systems by running stop points or otherwise. The increased use of such techniques could alter, to the detriment of the Fund, the trading patterns the Trading Advisor attempts to exploit.

The Trading Advisor's strategies are generally systematic. .

### **Discretionary Strategies**

Discretionary strategies rely primarily on the traders' market judgment and experience rather than computer programs or algorithms to generate trading signals. Discretionary strategies may be able to react more quickly to unexpected financial and economic events than speculative strategies, but also are perceived as being prone to be less consistent.

Discretion is generally only used by the Trading Advisor in rare cases to interpret the existing rules of the Trading Strategy.

### **Use of Leverage; Margin Calls**

The Fund's positions will typically be highly leveraged. The leverage obtained in the Fund's markets is not generally obtained by borrowings, as it is in the securities markets, but rather by acquiring notional exposure to the markets on the basis of margin deposits. Margin is determined by the brokers, counterparties and exchanges, and the Fund must provide additional cash or securities (variation margin) to maintain the margin for each position at required minimum levels, or the brokers are required and the counterparties have the right to close out the open positions, holding the Fund liable for all losses.

Brokers and counterparties typically have largely discretionary authority to increase margin requirements, and typically will do so in volatile and/or disrupted markets in which the risk of the margin on deposit not being sufficient to cover the losses which may be incurred before open positions can be closed is significantly increased.

### **Technical Analysis**

Technical strategies rely on information intrinsic to the market itself — prices, price patterns, volume, volatility, etc. — to determine trades. These strategies can incur major losses when factors exogenous to the markets themselves — political events, natural catastrophes, acts of war or terrorism, etc. — dominate the markets.

## **Fundamental Analysis**

Fundamental analysis is premised on the assumption that markets are not perfectly efficient, that informational advantages and mispricings do occur and that econometric analysis can identify trading opportunities. Fundamental analysis may incur substantial losses if such economic factors are not correctly analyzed, not all relevant factors are identified and/or market forces cause mispricings to continue despite the traders having correctly identified such mispricings. Fundamental analysis may also be more subject to human error and emotional factors than technical analysis.

## **Duration of Investment Positions**

The Trading Strategy is set up to minimize commissions and the number of trades per market when compared to other futures trading systems. Winners usually should be held from four months to a year, and losers from one week to three months. Actual holding periods depend on numerous market factors.

The longer the duration of an investment by the Fund, the greater the exposure of such position to the risks of general economic changes as well as changes in the Trading Advisor itself.

## **Stop Order Limitations**

Stop loss orders will be placed by the Trading Advisor when positions are established and they will be modified weekly. Stop orders are often used in an effort to limit trading losses if prices move against a position. There can be no guarantee, however, that it will be possible under all market conditions to execute the stop loss order at the price specified. In an active, volatile market, the market price may be declining (or rising) so rapidly that there is no opportunity to liquidate a position at the stop price. Under these circumstances, the broker's only obligation is to execute the order at the best price that is available.

## **Trading Error Risk**

Trading errors are an intrinsic factor in any complex investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. If trading errors do occur, they are for the account of the Fund, unless they are the result of conduct inconsistent with the standard of care set forth in the Material Contracts.

## **Limited Diversification Policies**

Although the Fund's trading will generally be broadly diversified, the Fund may, from time to time, concentrate its trading in a small number of commodity interests. Consequently, the Fund may not maintain a variety of diverse positions. Concentration of trading in a relatively small number of commodity interests may subject the Fund's performance to relatively greater volatility.

## **Certain Instruments Traded**

### **Futures**

The Fund will trade futures. Market volatility is not a component of futures pricing, although market movements, of course, determine the profitability or losses on open futures positions. Futures are often inherently highly leveraged (often with margin deposits as low as 2% to 15% of contract value) and can become illiquid due to exchange-imposed price fluctuation limits.

## **Forward Contracts**

None of the CFTC, NFA, futures exchanges or banking authorities currently regulate forward trading. While the Fund does not currently participate in these markets, it may elect to do so in the future, and therefore prospective investors must recognize that some of the Fund's activity may take place in unregulated markets rather than on futures exchanges subject to the jurisdiction of the CFTC, the NFA or other regulatory or self-regulatory bodies. Fund assets on deposit with the currency forward counterparties with which the Fund may trade are not protected by the same segregation requirements imposed on CFTC-regulated commodity brokers with respect to customer funds deposited with them. Although the Fund would deal only with major financial institutions as currency forward counterparties, the insolvency or bankruptcy of a currency forward counterparty could subject the Fund to the loss of its entire deposit with such counterparty. The forward markets are well established. However, it is impossible to predict how, given certain unusual market scenarios, the unregulated nature of these markets might adversely affect the Fund.

The Reform Act amended the definition of "eligible contract participant". If the Fund's Net Asset Value is less than \$10 million, the Fund will be limited to engaging in "retail forex transactions" which limits the Fund's potential forward currency counterparties to futures commission merchants, retail foreign exchange dealers and certain other parties and could lead to the Fund bearing higher upfront and mark-to-market margin, less favorable trade pricing and the possible imposition of new or increased fees. The "retail forex" markets could also be significantly less liquid than the interbank market. Moreover, the creditworthiness of the financial institutions with which the Fund will be required to trade could be significantly weaker than the creditworthiness of the financial institutions that operate in the interbank market. Although the impact of requiring the Fund to conduct forward currency transactions in the "retail" market could be substantial, the full scope is currently unknown and the ultimate effect could also be negligible.

## **Agricultural Commodities**

Agricultural commodity prices are subject to sudden and material price movements as a result of weather events, transportation disruptions and other factors. The agricultural futures markets are generally not as liquid as many financial markets and are subject to more restrictive speculative position, as well as daily price fluctuation, limits. In addition, trade execution in a number of agricultural markets is less automated — and, the transaction costs correspondingly higher — than in financial instruments.

## **Energy Trading**

The energy markets are susceptible to significant short-term price volatility as a result of a variety of factors, which may include the following: the malfunctioning of facilities necessary to produce, transport, store and deliver physical energy; the inability to store electricity; the condition of efficient operation of power distribution networks; rate and tariff regulation; government ownership or operation of certain trading counterparties; consumer advocacy; weather-related events; governmental intervention; changes in Law; international political events; acts of war; terrorist attacks; *force majeure* or other unforeseen events; high trading volumes; unexpected congestion at certain delivery points; dislocation in nodal pricing resulting from unexpected market conditions, such as outages and spikes in fuel prices; or other factors such as market illiquidity or disruption, the inability or refusal of a counterparty to perform or the insolvency or bankruptcy of a significant market participant. Furthermore, certain energy markets — in particular, those related to petroleum — are particularly subject to the risk of sudden and dramatic price changes as a result of international political events, acts of war and terrorism as well as the anticipation of such events. These events are, by their nature, unpredictable, and can cause extreme and sudden price reversals and market disruptions.

## **Natural Gas**

Natural gas is one of the most volatile of the energy contracts, and is particularly susceptible to unexpected winter and summer temperatures.

## **Structural Risks**

### **Importance of the Manager**

The Fund must rely on the ability of the Manager to operate the Fund and the continued availability of the Manager's services. The Manager, in turn, is dependent on the services of certain key personnel, and the loss of the services of one or more such professionals could impair the ability of the Manager to provide administrative services to the Fund, and be material and adverse to the Fund. If the Manager's services were no longer available to the Fund, the Fund would dissolve — perhaps under adverse market circumstances.

### **Importance of the Trading Advisor**

The Trading Advisor will have sole control over the Fund's trading — the Manager itself will supervise the Trading Advisor's trading on behalf of the Fund (insure aligning with goals, investments within risk limits, etc.), but will not itself enter any trades on behalf of the Fund. The Trading Advisor, in turn, is dependent on the services of its principals. Were either of their services no longer available to the Trading Advisor, the Fund may dissolve — perhaps under adverse market circumstances.

### **No Assurance of Trading Advisor's Continued Service**

Although the Trading Advisor will commit to manage the Fund for a certain period of time, there is no assurance that the Trading Advisor will be willing or able to continue to provide advisory services to the Fund.

If the services of a principal of the Trading Advisor became unavailable, the Fund could sustain losses and/or be required to liquidate.

### **Trading Advisor Risk**

Although the Trading Advisor will not have custody of the Fund's assets, the Fund is subject to the risk of the bad judgment, negligence or misconduct of the Trading Advisor. There have been a number of instances in recent years in which private investment funds have incurred substantial losses due to manager misconduct.

### **Withdrawals/Redemptions by Other Trading Advisor Fund Investors**

Investors in other funds or accounts implementing the Trading Strategy or similar strategies may be able to redeem their investments more frequently or on less prior notice than investors in the Fund. Withdrawals/redemptions by investors in these funds or withdrawals/redemptions from accounts that have less restrictive withdrawal/redemption terms could have a material adverse impact on the Fund's portfolio and could disadvantage the Members — as opposed to other investors in the Trading Strategy — in certain circumstances.



## **Changes in Trading Strategy**

The Manager, as the manager of the Fund, will be aware of all positions taken for the Fund by the Trading Advisor, and should be able to monitor material changes in the Trading Advisor's strategy. However, over time the Trading Advisor's approach to trend following may evolve and change materially. In the last several years, for example, gold has experienced unprecedented price levels and experienced unprecedented price volatility.

## **Substantial Charges to the Fund**

The Fund is obligated to pay certain fees and expenses, including futures brokerage commissions as well as operating costs and expenses, the Management Fee, Sponsor's Fee and Administrative Charge, irrespective of profitability. There can be no assurance that the Fund will be able to recognize sufficient trading gains to offset these charges, and any gains recognized will be subject to Performance Allocations.

## **Performance Allocations**

The fact that the Manager is eligible to receive Performance Allocations may create an incentive for the Manager to make investments on behalf of the Fund that are riskier or more speculative than would be the case in the absence of such priority allocation of New Net Profit to the Manager. In addition, the Performance Allocations received by the Manager are calculated on the basis of the unrealized, as well as the realized, gains and losses of the Fund. As a result, the Performance Allocations could be made to the Manager with respect to unrealized gains of the Fund that may never be realized.

## **Dilution of an Investor's Economic Interest**

An investor's economic interest in the Fund is subject to dilution in certain cases. Investors who subscribe for Interests of a particular Class at a Net Asset Value reduced by accrued Performance Allocations share in any subsequent reversals of the Performance Allocations accrued at the time of their investment. Conversely, investors who subscribe for Interests at a time when there is a positive balance in a Loss Carryforward Account with respect to such Class share in such Loss Carryforward Account, reducing the Performance Allocations otherwise borne by those investors, although they were not subject to the losses that generated the positive balance in such Loss Carryforward Account.

## **Regulatory and Tax Risks**

### **Risk of Litigation**

The Fund may be subject to litigation from time to time. The Fund could be named as a defendant in a lawsuit or regulatory action. The outcome of such proceedings, which may materially adversely affect the value of the Fund, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Manager's time and resources, and such time and the devotion of such resources to litigation may be disproportionate to the amounts at stake in the litigation.

### **The Dodd-Frank Wall Street Reform and Consumer Protection Act**

The Reform Act was enacted in July 2010. The Reform Act seeks to regulate markets, market participants and financial instruments that previously have been unregulated and substantially alters the regulation of many other markets, market participants and financial instruments. Because many

provisions of the Reform Act require rulemaking by applicable regulators before becoming fully effective and the Reform Act mandates multiple agency reports and studies (which could result in additional legislative or regulatory action), it is difficult to predict the impact of the Reform Act on the Fund, the Manager and the markets in which they trade and invest. The Reform Act, among other things, includes provisions that comprehensively regulate the over-the-counter (“OTC”) derivatives markets for the first time. The Fund will trade extensively in the OTC derivatives markets, and the regulatory requirements under the Reform Act are expected to increase derivatives dealers’ costs, which costs are expected to be passed along, at least partially, to other participants (such as the Fund) in the derivatives market in the form of higher fees. The Reform Act may result in an increased regulatory burden and associated costs borne by execution brokers and other financial intermediaries with which the Fund transacts, and these burdens and costs may result in operational difficulties or increased costs to the Fund and the Manager. The overall impact of the Reform Act on the Fund is highly uncertain.

Furthermore, in addition to implementing the Reform Act, the CFTC has finalized rules requiring registration as a CPO or CTA for many managers and trading advisors that previously relied upon exemptions from such registration, as well as significant new reporting requirements for CPOs and CTAs. The overall impact of the Reform Act and other new regulatory initiatives on the Fund remains highly uncertain since many provisions of the Reform Act and other regulations must still be implemented fully.

Non-U.S. futures exchanges are subject to regulation by foreign governments and self-regulatory organizations, which may impose further limitations on the Fund’s trading activities and adversely affect the ability of the Fund to pursue its strategies.

### **Possibility of Additional Government or Market Regulation**

Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental as well as self-regulatory scrutiny of private investment funds and the alternative investment industry in general. There has also been significant uncertainty as to what the results of such scrutiny might be.

It is impossible to predict what, if any, changes in regulation applicable to the Fund, the Manager, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Any such regulation could have a material adverse impact on the profit potential of the Fund, as well as require increased transparency as to the identity of the Members.

### **Accounting for Uncertainty in Income Taxes**

Accounting Standards Codification Topic No. 740, “Income Taxes” (in part formerly known as “FIN 48”) (“ASC 740”), provides guidance on the recognition of uncertain tax positions. ASC 740 prescribes the minimum recognition threshold that a tax position is required to meet before being recognized in an entity’s financial statements. It also provides guidance on recognition, measurement, classification and interest and penalties with respect to tax positions. A prospective investor should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the Net Asset Value of the Fund, including reducing the Net Asset Value of the Fund to reflect reserves for income taxes, such as foreign withholding taxes, that may be payable by the Fund. This could cause benefits or detriments to certain investors, depending upon the timing of their entry and exit from the Fund.

## **Tax Considerations**

The Fund's income and gain for each taxable year will be allocated to, and includible in, a Member's taxable income whether or not cash or other property is actually distributed. Furthermore, the Fund does not anticipate that it will make current distributions. Accordingly, each Member should have alternative sources from which to pay its U.S. federal income tax liability or be prepared to withdraw such amounts from the Fund.

The Fund may take positions with respect to certain tax issues that depend on legal conclusions not yet addressed by the courts. Should any such positions be successfully challenged by the Internal Revenue Service (the "IRS"), a Member might be found to have a different tax liability for that year than that reported on its U.S. federal income tax return.

In addition, an audit of the Fund's U.S. federal income tax information return may result in adjustments to the tax consequences initially reported by the Fund and may affect items not related to a Member's investment in the Fund. If audit-related adjustments result in an increase in a Member's U.S. federal income tax liability for any year, that Member may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax return will be borne by the Fund.

The Fund will be required to disclose identifying information to the IRS regarding each of its Members, including each Member's name, address and taxpayer identification number.

Interest payments on foreign securities may be subject to foreign withholding taxes, which could reduce net proceeds to the Fund.

The taxation of partnerships and partners is complex. Potential investors are strongly urged to review the discussion below under "Certain U.S. Federal Income Tax Considerations" and to consult their own tax advisors.

## **No Representation of Investors**

While the Manager has consulted with counsel, accountants and other experts regarding the structure and terms of the Fund, such counsel does not represent the Members in their capacity as such. The Fund and the Manager urge each prospective investor to consult his or her own legal, tax and financial advisors regarding the desirability of acquiring an Interest and the suitability of an investment in the Fund.

## **Limits of Risk Disclosures**

The futures and OTC markets, the Trading Strategy and prevailing economic conditions are continually changing. The Trading Strategy is also proprietary and confidential. As a result, the summary list of risk factors above may not reflect all the speculative risks to which the Fund may be subject. Prospective investors must be aware that they may lose all or substantially all of their investment in the Fund.

**THE INTERESTS ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. THEY ARE SUITABLE ONLY FOR PERSONS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO IDENTIFY ALL OF THE RISKS APPLICABLE TO AN INVESTMENT IN THE FUND,**

**NOR EVEN TO PROVIDE A COMPLETE DESCRIPTION OF THE RISKS WHICH ARE, IN FACT, IDENTIFIED.**

**BECAUSE THE TRADING PROGRAM IS PROPRIETARY AND CONFIDENTIAL, ONLY THE MOST GENERAL DESCRIPTION OF THE RISKS INVOLVED IN THE OPERATION OF THE FUND IS POSSIBLE. NO SUCH DESCRIPTION CAN FULLY CONVEY THE RISKS OF THE HIGHLY-LEVERAGED STRATEGY WHICH THE TRADING ADVISOR IMPLEMENTS.**

#### **NET ASSET VALUE**

In accordance with the provisions set forth below, the LLC Agreement, and under the overall supervision and direction of the Manager, the Administrator will calculate the Fund's Net Asset Value and the Net Asset Value of each Class as of the last Business Day of the relevant calendar month, or on another day, in the discretion of the Manager (each a "Valuation Day").

The Net Asset Value of the Fund is equal to the Fund's assets less the Fund's liabilities, each valued pursuant to GAAP. The Net Asset Value of each Class is equal to the total assets of the Fund attributable to the relevant Class less the total liabilities of the Fund attributable to the relevant Class. Such calculation will be made by the Administrator acting in good faith, after consulting with the Manager. In no event will the Administrator or the Manager (or the Trading Advisor) incur any individual liability or responsibility for any determination made or action taken or omitted by them in the absence of gross negligence or fraud.

In general, the Fund's positions will be valued as follows:

1. The market value of a commodity traded on a commodity exchange will mean the settlement price on the commodity exchange on which the particular commodity is traded by the Fund on the close of the day with respect to which the determination is being made; provided that if a commodity could not be liquidated on such day due to the operation of daily limits or other rules of the commodity exchange upon which that interest is traded or otherwise, the settlement price on the first subsequent day on which the contract could be liquidated will be the market value of such contract for such day. The market value of a forward contract or commodity traded on a non-U.S. exchange or off-exchange will mean its market value as determined by the Manager on a consistently applied basis.
2. The value of cash in hand or on deposit, bills and demand notes and accounts receivable, and prepaid expenses will be their face amounts. Cash dividends and interest accrued and not yet received will be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof will be arrived at after taking such discounts as the Administrator acting in good faith, after consulting with the Manager, may consider appropriate to reflect the true value thereof.
3. Any value other than in U.S. dollars will be converted into U.S. dollars at the rate (whether official or otherwise) the Administrator may deem appropriate to the circumstances, having regard *inter alia* to any premium or discount the Administrator may consider relevant and to the costs of the exchange.
4. In the event it is impossible or inaccurate to carry out a valuation of a specific investment in accordance with the valuation rules set out above, or if the Administrator with the consent of the Manager determines that the valuation of any asset does not fully represent market value (whether

because of illiquidity or otherwise), the Administrator with the consent of the Manager will value such asset as it will determine in accordance with its policy for such valuation.

5. The Net Asset Value of the Fund will account for all accrued debts and liabilities of the Fund, including but not limited to: (i) any applicable advisory, performance, incentive and other fees and disbursements of any advisor or manager earned but not yet paid; (ii) any applicable custodian and brokerage fees; (iii) investments of the Fund contracted to be sold; (iv) the gross acquisition consideration of investments or other property contracted to be purchased for the Fund; (v) reserves authorized or approved by any administrator for duties and charges or taxes or contingencies (accrued where appropriate on a day-to-day basis); (vi) the aggregate amount of all borrowings and interest, commitment fees and other charges arising in connection therewith (accrued where appropriate on a day-to-day basis); and (vii) other liabilities of the Fund of whatever nature (which will, where appropriate, be deemed to accrue from day-to-day) including outstanding payments on any shares previously redeemed and, as from the record date in respect thereof, any distributions declared and not paid (contingent liabilities (if any) being valued in such manner as the Manager or its agents may determine from time to time or in any particular case).

Prospective investors should be aware that uncertainties as to the valuation of portfolio positions could have an adverse effect on the Net Asset Value determination if judgments regarding appropriate valuations should prove incorrect. Absent bad faith or manifest error, the determination of Net Asset Value is conclusive and binding on all Members and prospective investors.

Fees and expenses that are identifiable with a particular Class will be charged against that Class in computing its Net Asset Value. Other fees and expenses that are not identifiable with a particular Class will be allocated between the Classes on the basis of their respective aggregate Net Asset Values or as determined by the Manager, acting reasonably.

## **CERTAIN CONFLICTS OF INTEREST**

### The Manager

#### *Other Manager Client Accounts*

The Manager actively solicits for and manages other client accounts and commodity pools, and intends to manage other Attain Managed Futures Platform funds in the future. In managing other client accounts, the Manager will have a conflict of interest not only in that the Manager will be seeking to raise capital for accounts which will compete (although, in certain cases, using different strategies) with the Fund, but also in terms of the Manager's allocation of its limited personnel and administrative resources.

#### *Proprietary Trading*

The Manager and/or its principals may trade for their own accounts (collectively, "Proprietary Accounts"). In conducting such activities, the Manager and its principals will have conflicts of interest in allocating management time and administrative functions (as in the case of managing other client accounts). In addition, the Manager Parties will have a financial incentive to prefer their personal accounts over the accounts of the Fund and the Manager's other clients, with an incentive to trade ahead of client accounts. Finally, positions in proprietary accounts may be contrary to and opposite of positions in the Fund.

The records of the trading of Proprietary Accounts will not be made available to Members or prospective Members.

#### *“Block” Orders*

The Fund may participate in a “block” order that may include positions for unrelated client accounts of the Manager, as well as the Proprietary Accounts of the Manager and its principals. In all cases, a systematic, non-preferential method of allocating the fill prices of any block order that results in a split fill will be used. Neither the Manager nor its principals will enter into any trade for Proprietary Accounts where it knowingly favors any account over the Fund’s account(s).

#### *Competition Among Client and Proprietary Accounts*

The Manager may use the same trading methods and strategies for the Fund’s and other clients’ or Proprietary Accounts. Therefore, the foregoing accounts may compete for the same position. In addition, no assurance is given that the performance of all such accounts will be identical or even similar because the trades in the various accounts may be of varying duration or even opposite of those held by Manager account(s). In rendering trading advice to any client, the Manager will not knowingly or deliberately favor any Proprietary Account or other client account over the Fund’s account. The records associated the Proprietary Accounts of the Manager and its principals or other client accounts will not be available for inspection.

#### *Selection of the Trading Advisor*

The Manager will receive a portion of the Incentive Allocations otherwise paid to the Trading Advisor. The Trading Advisor may also remit a portion of its Management Fee to RCM. The Manager has a conflict of interest between selecting an advisor in the Fund’s best interest and selecting an advisor that which would agree to share its Incentive Allocation and its Management Fee with the Manager and RCM, respectively.

The Manager receives indirectly through RCM a share of the brokerage commissions generated by the Fund’s trading. Accordingly, the Manager has a conflict of interest between selecting an advisor in the Fund’s best interest and selecting an advisor whose trading patterns would maximize brokerage income to RCM.

#### *Selection of the IB*

RCM, the Fund’s IB, is a principal and equity owner of the Manager. In addition, Mr. Malec is both a principal and AP of both the Manager and RCM. As a result of this relationship, there might not be present the objectivity needed by the Manager in order to evaluate if or when a change of the Fund’s IB might be in the best interest of the Fund. Further, the Manager and RCM are located at the same address. Accordingly, the Manager and its principals may receive indirect compensation and/or other benefits such as office space, office supplies, and clerical support staff from RCM. Also, the brokerage compensation for RCM’s services — which the Manager estimates at approximately 0.30% of the Fund’s average month-end Net Asset Value annually — is not the result of an arm’s length negotiation. However, the Manager believes that the brokerage fees charged to the Fund are comparable to those charged to commodity pools similar to the Fund. Please also note that RCM may also receive a portion of the Trading Advisor’s Management Fee.

### *Participation in the Brokerage Commissions*

As the Fund's IB, RCM will receive a portion of the brokerage commissions charged to the Fund's account(s) and thus will be compensated on a per-trade basis as set forth herein. As such, a conflict of interest exists insofar as RCM, a principal and equity owner in the Manager, will receive compensation derived from the trading volume of the Fund and has a financial incentive to cause the Manager to trade the Fund excessively. Moreover, the Manager's principals may also indirectly receive compensation derived from the trading volume of the Fund by virtue of their relationships with RCM.

### *The Performance Allocation*

The Manager will receive a share of the Performance Allocation otherwise due to the Trading Advisor based on any New Net Profit in each Member's Capital Account in each Class of Interests. This may present a conflict of interest in that the Manager may tend to select a Trading Advisor which enters into riskier trades than normal in an attempt to maximize the incentive-based compensation.

## The Trading Advisor

### *Other Clients and Business Activities of the Trading Advisor*

The Trading Advisor may have a conflict of interest in rendering advice to the Fund because of other accounts which it manages or trades, including accounts owned by its principals, which may be traded differently from the Fund's account. The Trading Advisor will have financial incentives to favor certain accounts over the Fund.

The Trading Advisor has agreed to treat the Fund equitably. However, as the Trading Advisor will be trading a limited portfolio for the Fund, other client accounts may significantly outperform the Fund.

### *Proprietary Trading*

The Trading Advisor and its principals and affiliates may trade in the commodity markets for their own accounts and for the accounts of their clients, and in doing so may take positions opposite to those held by the Fund or may be competing with the Fund for positions in the marketplace. Records of this trading will not be available for inspection by the Members. Such trading may create conflicts of interest on behalf of one or more such persons in respect of their obligations to the Fund.

Because the Trading Advisor and its principals and affiliates may trade for their own accounts at the same time that they are managing the Fund's account, prospective investors 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 the Fund.

### *The Performance Allocation*

The Trading Advisor will receive a Performance Allocation on the basis of the New Net Profit which the Trading Advisor is able to generate as of the end of any calendar year. The receipt of any Performance Allocation is a likely incentive for the Trading Advisor (which does not receive any priority allocation of losses as opposed to New Net Profit) to trade in an overly speculative manner, so that the Trading Advisor may have unusual incentives to trade in an overly speculative manner for the Fund.

## The Clearing Broker

MS&Co. has numerous clients and will be executing trades for a variety of different clients in the same market at the same time. Executing orders for different, and possibly competing, customers at the same time involves an inherent conflict of interest. Certain clients of MS&Co. pay lower brokerage rates than the Fund and also receive free financial advice from MS&Co. personnel in connection with such clients' trading.

Certain officers and employees of MS&Co. may be compensated, in part, on the basis of the trading activities of the various accounts, including the Fund, for which MS&Co. acts as broker.

## **Future Activities**

Future investment activities by the Trading Advisor on behalf of other clients may give rise to additional conflicts of interest and demands on the Trading Advisor's time and resources. The Trading Advisor acts, or may in the future act, as sponsor of its own single- or multi-advisor futures funds. These funds may, from time to time, be in direct competition with the Fund for positions in the market.

## **FINANCIAL ALLOCATIONS**

### **Financial Allocations**

As of the end of each month, the net profits and losses of the Fund are allocated, prior to the deduction for the current month's accrued Sponsor's Fees, Management Fees and Performance Allocations, *pro rata* among each Class of Interests issued by the Fund, based on the respective Net Asset Value of that Class as of the beginning of the month. As of the beginning of each month, Management Fees are then deducted *pro rata* from each Class, if applicable, also in accordance with their respective Net Asset Values. The Sponsor's Fee applicable to each Class is calculated and paid based on the Net Asset Value of each Class after deduction for Management Fees and Performance Allocations, if any, then paid/made or accrued.

### **Bankruptcy of PFG**

On July 9, 2012, NFA took a Member Responsibility Action ("MRA") against Peregrine Financial Group Inc. doing business as PFGBest ("PFG") and Peregrine Asset Management, Inc. PFG is the Fund's former carrying broker.

NFA deemed this action necessary to protect customers because PFG was unable to demonstrate that it was able to meet its capital requirements and segregated funds requirements, and because NFA had reason to believe that PFG did not have sufficient assets to meet its obligations to its customers. On July 10, 2012, the CFTC also filed a complaint in the United States District Court for the Northern District of Illinois against PFG and its owner, Russell R. Wasendorf, Sr. alleging that PFG and Wasendorf committed fraud by misappropriating customer funds, violated customer fund segregation laws, and made false statements in financial statements filed with the Commission. On July 10, 2012, PFG filed for Chapter 7 protection in the U.S. Bankruptcy Court for the Northern District of Illinois.

As of July 12, 2012 approximately \$2,644,891 of the Fund's assets were on deposit in an account at PFG. At that time, these assets represented approximately 27% of the Fund's net asset value of approximately \$9,564,000. As of July 9, 2012, all assets of the Fund at PFG were frozen. Participants should be aware that future actions involving PFG may impact the Fund's ability to value the portion of its assets held at PFG and/or delay the payment of a participant's pro-rata share of such assets upon redemption, but only if you were an investor in the Fund on July 1, 2012.



For accounting purposes the Fund will treat its assets at PFG as a “side pocket investment.” Mechanically the side pocket investment is simply an entry on the Fund’s books which is tracked separately from the Fund’s commodity trading activities. It allows only those investors having an ownership interest in the Fund at the time PFG filed for bankruptcy to be exposed to the income or loss of that “side-pocketed” investment.

Placing the Fund’s frozen assets at PFG in a side pocket means:

1. Any money that the Fund receives from the PFG bankruptcy estate shall only be shared with the investors that were in the Fund when the bankruptcy occurred.
2. If the Fund receives less than 100% return of its assets, then such loss shall only be borne by the investors that were in the Fund when the bankruptcy occurred.

Effective December 2012, the Fund reduced the value its side pocketed assets by \$1,083,221.34 (or approximately 40%). This write down was only allocated to those investors that were in the Fund as of July 12, 2012, when PFG filed for bankruptcy. As a result of the write down, the Fund sub-divided its interests. Investors who were subject to the PFG write down were placed in a separate class of Interest called “Limited Liability Membership Interests with PFG Write Down.” When the Manager began operating the Fund on March 1, 2013, the “Limited Liability Membership Interests with PFG Write Down” were reclassified as “Founders Class with PFG Write Down.” Investors that own Founders Class with PFG Write Down are the only investors that will be subject to a loss because of the PFG matter.

***In short, any investor that is admitted into the Fund after July 2012 will neither be allocated any of the money distributed from the PFG bankruptcy estate nor participate in the losses that may result from the PFG bankruptcy. Stated another way, if you purchase a Class A, Class B, Class C, Class D or Class E Interest, then your investment in the Fund will not be impacted by the PFG matter and whether the Fund recovers any or all of its remaining assets frozen at PFG.***

## FEES AND EXPENSES

### Brokerage Commissions

The Fund will pay brokerage commissions at a rate of \$15 per “round-turn trade” (each acquisition and subsequent liquidation of a single contract, “Round Turns”), which rate will include all exchange and regulatory fees (including NFA transaction fees) as well as “floor brokerage” charges. All investors of the Fund, regardless of their Interest Class, pay their pro rata share of brokerage commissions.

The Manager anticipates an annual brokerage commission to equity ratio of 0.50%, although this ratio is difficult to predict and may vary materially from the anticipated amount and be substantially higher. The brokerage commission to equity ratio is the annualized ratio of brokerage commissions and fees to the total equity in the Fund.

The Fund will directly pay the Clearing Brokers for clearing and execution costs and RCM will be rebated the difference between the brokerage commissions paid by the Fund and such costs. The Manager expects that the brokerage commissions rebated to RCM will approximate 0.30% of the Fund’s average month-end Net Asset Value per annum.

## Management and Sponsor's Fees

The Trading Advisor will receive a monthly Management Fee equal to 1/12 of 1.00% of the month-end Net Asset Value of all Classes of Interest, other than Class B Interests, for which the Trading Advisor will receive a Management Fee equal to 1/12 of 2.00% of the month-end Net Asset Value and Class E Interests which may pay no or a reduced Management Fee.

The Manager will receive a monthly Sponsor's Fee equal to 1/12 of 1.00% of the month-end Net Asset Value of all Classes of Interest, except Class C and Class D Interests may pay no or a reduced Sponsor's Fee and Class B and Class E Interests will pay no Sponsor's Fee.

The monthly Management Fee and Sponsor's Fee combined will equal 1/12 of 2.00% of the month-end Net Asset Value of Class A Interests and may be less for the other Classes.

The Manager and the Trading Advisor have a separate fee sharing arrangement with respect to such fees paid by the Classes.

The Management and the Sponsor's Fees will be paid monthly in arrears.

Net Asset Value for purposes of calculating the Management and the Sponsor's Fees will not be reduced by the Management or Sponsor's Fees being calculated or by any accrued Performance Allocation.

## **Administrative Charge and Operating Expenses**

The Fund has two types of operating expenses: ordinary operating expenses (such as, without limiting the foregoing, accounting, administration, printing, mailing and other ongoing expenses of operating the Fund) and periodic operating expenses (such as, without limiting the foregoing, legal, regulatory and registration fees and expenses, state filing fees and expenses, auditing, and other miscellaneous expenses).

The Manager will pay the Fund's ordinary operating expense. As a result, the Fund will pay the Manager a monthly Administrative Charge equal to 1/12 of 0.50% of the month-end Net Asset Value. The Manager may, in the future, lower the Administrative Charge in its sole discretion.

The Fund, and not the Manager, will pay its own periodic operating expenses. In 2014 the Fund paid approximately \$26,551 in periodic operating expenses. The actual operating expenses the Fund pays in the future could be significantly higher or lower depending on actual expenses incurred and the total value of the Fund's assets.

## **Extraordinary Costs**

The Fund will pay its extraordinary expenses, if any. Extraordinary expenses are unanticipated expenses which might arise from the Fund's business activities, such as the cost of any litigation in which the Fund might be engaged, the costs of responding to subpoenas, regulatory requests for information and regulatory investigations (including the cost of preparing to respond to regulatory and self-regulatory inquiries). By their nature, the dollar amount of extraordinary expenses cannot be estimated and may be substantial.

## **Selling Commission**

For Class D only, selling commissions may be paid to a selling agent either in the form of a sharing of fees between the Manager and the selling agent and/or an upfront and/or ongoing sales commission paid to the selling agent that generally does not exceed 2%. If an upfront commission is charged, such commissions will be deducted from a Class D subscription and the net amount of such subscriptions (after deducting applicable sales commissions) will be invested in the Fund.

### Performance Allocation

As of the end of each calendar year the Trading Advisor is eligible to receive a Performance Allocation equal to 20% of any “New Net Profit” attributable to Members’ Capital Accounts in all Classes.

“Trading Profit” is calculated on each Member’s Capital Account in each Class and equals all gains (*minus* losses) on the Funds’ trading positions during a year attributable to such Member’s Capital Account in a Class — including changes in unrealized as well as realized gains and losses. Trading Profit does not include interest income.

“Net Trading Profit” equals Trading Profit *less* brokerage commissions and Management Fees attributable to such Member’s Capital Account in each relevant Class. The brokerage commissions attributable to a given year equal the commissions actually paid during such year (on a Round Turn basis) plus or minus the change in the accrued brokerage commissions on open positions. Because brokerage commissions are paid on a Round Turn basis, they are only actually paid when a position is liquidated, however, the entire Round Turn commission is accrued at the time the position is established. Such accrual is recorded as an expense in the year in which the position is acquired. Where the brokerage commission is actually paid when the position is liquidated, “double counting” is avoided by offsetting this payment by a corresponding reduction in the outstanding accrued commissions.

“New Net Profit” equals the amount by which cumulative Net Trading Profit exceeds any balance in the Loss Carryforward Account established for such Member’s Capital Account in each Class. As of the end of each year, if such Capital Account has incurred a loss across the full course of such year, the “Loss Carryforward Account” established for such Capital Account is credited with the amount of such loss. Additional Capital Contributions made by a Member to such Capital Account have no effect on the balance in the Loss Carryforward Account; however, capital Withdrawals result in such balance being reduced by being *multiplied by* the fraction the numerator of which is the Net Asset Value of such Capital Account immediately following and the denominator of which is such Net Asset Value immediately prior to such Withdrawal.

The Manager’s Capital Account will be allocated 20% of the Performance Allocations attributable to all Classes of Interests except for Founders Class Interests and Class B Interests. Manager’s Capital Account shall not be allocated any portion of the Performance Allocations attributable to Founders Class Interests or Class B Interests.

### Waiver

The Manager and the Trading Advisor may waive or reduce the payment of the Sponsor’s Fees and Management Fees, respectively, with respect to certain Members in their discretion without entitling any other Member to such waiver or reduction.

### Interest Income

Neither the Manager nor the Trading Advisor is registered as an “investment adviser” with the SEC. Consequently, neither is able to provide any cash management services to the Fund other than merely to deposit the Fund’s cash with the Clearing Broker and/or the Fund’s bank account. Consequently, the Fund will earn interest at no more than the “riskless rate” — currently approximately 0%. Interest income is not included in calculating Trading Profit for purposes of determining the Performance Allocation.

### Breakeven Analysis

Set forth below is the Fund's estimated annual breakeven analysis for each Class. The following charts do not constitute a representation as to the Fund's actual operating expenses. The actual expenses could be significantly higher or lower on a percentage basis of total assets depending on the actual expenses incurred and the total value of the Fund's assets. No representation is being made that these expense figures are the maximum possible.

As shown in the following table, in order for a Class A Member to breakeven on his or her investment, Class A must achieve approximately \$1,875 per year in profits (per \$50,000 investment) or 3.75%. The other Classes may have a higher or a lower breakeven point depending on the applicable fee structure, as shown in the tables on the next page.

## Estimated Annual Breakeven Analysis

(Per \$50,000 Investment)

The accompanying notes are an integral part of these tables.

### CLASS A

Expenses	Twelve-Month Percentage of Net Asset Value	Twelve-Month Dollar Amount
Upfront Selling Commission	0.00%	\$0
Sponsor's Fee	1.00%	\$500
Administrative Charge	0.50%	\$250
Management Fee	1.00%	\$500
Performance Allocation	0.00%	\$0
Brokerage Commissions	0.90%	\$450
Periodic Operating Expenses	0.35%	\$175
Extraordinary Expenses	Not subject to estimate	Not subject to estimate
<b>TWELVE-MONTH BREAKEVEN</b>	<b>3.75%</b>	<b>\$1,875.00</b>

### CLASS B

Expenses	Twelve-Month Percentage of Net Asset Value	Twelve-Month Dollar Amount
Upfront Selling Commission	0.00%	\$0
Sponsor's Fee	0.00%	\$0
Administrative Charge	0.50%	\$250
Management Fee	2.00%	\$1,000
Performance Allocation	0.00%	\$0
Brokerage Commissions	0.90%	\$450
Periodic Operating Expenses	0.35%	\$175
Extraordinary Expenses	Not subject to estimate	Not subject to estimate
<b>TWELVE-MONTH BREAKEVEN</b>	<b>3.75%</b>	<b>\$1,875.00</b>

### CLASS C

Expenses	Twelve-Month Percentage of Net Asset Value	Twelve-Month Dollar Amount
Selling Commission	0.00%	\$0
Sponsor's Fee	0.00% to 1.00%	\$0 to \$500
Administrative Charge	0.50%	\$250
Management Fee	1.00%	\$500
Performance Allocation	0.00%	\$0
Brokerage Commissions	0.90%	\$450
Periodic Operating Expenses	0.35%	\$175
Extraordinary Expenses	Not subject to estimate	Not subject to estimate
<b>TWELVE-MONTH BREAKEVEN</b>	<b>2.75% to 3.75%</b>	<b>\$1,375 to \$1,875</b>

**Estimated Annual Breakeven Analysis**  
(Per \$50,000 Investment)

The accompanying notes are an integral part of these tables.

<b>CLASS D</b>		
<b>Expenses</b>	<b>Twelve-Month Percentage of Net Asset Value</b>	<b>Twelve-Month Dollar Amount</b>
Selling Commission	00.0% to 2.00%	\$0 to \$1,000
Sponsor's Fee	00.0% to 1.00%	\$0 to \$500
Administrative Charge	0.50%	\$250
Management Fee	1.00%	\$500
Performance Allocation	0.00%	\$0
Brokerage Commissions	0.90%	\$450
Periodic Operating Expenses	0.35%	\$175
Extraordinary Expenses	Not subject to estimate	Not subject to estimate
<b>TWELVE-MONTH BREAKEVEN</b>	<b>2.75% to 5.75%</b>	<b>\$1,375 to \$2,875</b>

<b>CLASS E</b>		
<b>Expenses</b>	<b>Twelve-Month Percentage of Net Asset Value</b>	<b>Twelve-Month Dollar Amount</b>
Selling Commission	0.00%	\$0
Sponsor's Fee	0.00%	\$0
Administrative Charge	0.50%	\$250
Management Fee	0.00% to 1.00%	\$0 to \$500
Performance Allocation	0.00%	\$0
Brokerage Commissions	0.90%	\$450
Periodic Operating Expenses	0.35%	\$175
Extraordinary Expenses	Not subject to estimate	Not subject to estimate
<b>TWELVE-MONTH BREAKEVEN</b>	<b>1.25% to 2.75%</b>	<b>\$625 to \$1,375</b>

**Notes to Estimated Annual Breakeven Analysis**

1. The Manager anticipates an annual brokerage commission to equity ratio of 0.90%, although this ratio is difficult to predict and may vary materially from the anticipated amount and be substantially higher.
2. As of the end of each year the Trading Advisor is eligible to receive a Performance Allocation equal to 20% of any "New Net Profit" attributable to Members' Capital Accounts in all Classes. Absent such a profit, the amount of profit allocation needed to break even is 0%.
3. Periodic operating expenses are estimated to be 0.35% of the Fund's current assets and include legal, regulatory and registration fees and expenses, state filing fees and expenses, auditing, and other miscellaneous expenses. This amount will decrease as assets increase in the Fund.

**WITHDRAWALS; DISTRIBUTIONS AND EXCHANGES**

Withdrawals

Except as noted below, a Member may cause all or part of his Interest to be withdrawn by the Fund as of the last Business Day of any month. However, a Member may not make any Withdrawal that would reduce the value of such Member's Capital Account to a debit balance. Any request for full or partial Withdrawals will be honored only to the extent it complies with such limitations.

Withdrawals are effective as of the close of business on the last day of the month in which a Withdrawal Request in proper form has been received by the Manager in a timely manner. A "Withdrawal Request" is a written notice sent by a Member (or any approved assignee thereof) and

received by the Manager at its main business office at least ten (10) Business Days prior to the end of the month in which Withdrawal is to be effective. The Manager may waive or reduce the withdrawal notice period with respect to any Member in its sole discretion.

Upon Withdrawal, a Member (or any approved assignee thereof) will receive an amount equal to the Withdrawal amount requested, less any amount that is owed by such Member (and his approved assignee, if any) to the Manager as provided below in this paragraph or to the Fund in accordance with the LLC Agreement. In addition, upon Withdrawal of Interests, all amounts that are owed to the Fund under the indemnification provisions of the LLC Agreement by the Member to whom such Interest was issued as well as all amounts that are owed by all assignees of such Interest will be deducted from the Member's Capital Account prior to Withdrawal.

The term "Capital Account" of any Member is defined in the LLC Agreement to mean the Member's initial and subsequent capital contributions minus any capital Withdrawals plus his *pro rata* share of all revenues and minus his *pro rata* share of all expenses properly attributable to the Fund, all calculated in accordance with generally accepted accounting principles in the U.S. consistently applied ("GAAP").

The Manager will endeavor to pay Withdrawals no later than 30 days after the Withdrawal Date, and the Fund's investments and/or commodity interest positions will be liquidated to the extent necessary to affect Withdrawals. Under certain circumstances (including, without limitation, the Fund's inability to liquidate positions or the default or delay in payments due the Fund from brokers, banks, or other persons), the Fund may delay payment to Members requesting Withdrawal of the proportionate part of the Member's Capital Account represented by the sums that are the subject of such default or delay. The right to obtain payment on Withdrawal is contingent upon (i) the Fund having assets on the Withdrawal Date sufficient to discharge its liabilities, and (ii) receipt by the Manager of a Withdrawal Request as described above.

### Mandatory Withdrawal

The Manager has the discretion to require any Member to withdraw part or all of his Interest if it deems such Withdrawal to be in the best interest of the Fund. To require such Withdrawal, the Manager must give the Member written notice by U.S. mail and promptly distribute payment to the Member.

### Distributions

The Manager does not anticipate a distribution of profits, if any, to Members. Rather, it is anticipated that profits, if any, will be used to finance additional investments. However, the Fund may make distributions at any time and from time to time if the Manager deems such distributions in the best interest of the Fund.

### Exchanges

Once other Attain Platform Funds are added to the Attain Managed Futures Platform, the Manager anticipates allowing Members to exchange their Interests in the Fund for interests in other Attain Platform Funds (subject to Attain Platform Fund availability and Member eligibility).

The Manager anticipates that exchanges will generally be made between interests of the same Class in different Attain Platform Funds. However, the same class of interests may be subject to different brokerage commissions as well as different Management Fees, Sponsor's Fees, Performance Allocations or Administrative Charges in different Attain Platform Funds. Exchanges into an Attain Platform Fund

may be aggregated with subscriptions into such Attain Platform Fund by the same Member. In deciding whether to aggregate exchanges and subscriptions, fiduciaries of IRAs and fiduciaries of plans that are subject to ERISA must ensure that such combination does not result in an act of self-dealing under the prohibited transaction provisions of Section 4975 of the Code or Section 406 of ERISA.

The Manager anticipates that if, immediately following an exchange out of an Attain Platform Fund, a Member would have an investment of less than the minimum initial investment amount in such Attain Platform Fund, such Member will be required to exchange out of its entire investment in such Attain Platform Fund.

No sales commissions, withdrawal or exchange charges will be assessed on any exchange. Exchanges will be treated as withdrawals from the Attain Platform Fund(s) from which interests are exchanged and subscriptions into the Attain Platform Fund(s) into which interests are exchanged. Any accrued performance allocations will be assessed when a Member exchanges out of an Attain Platform Fund. Interests acquired in an exchange are indistinguishable from interests acquired with a new subscription. If there is a balance in the loss carryforward account with respect to the performance allocation calculation for a Attain Platform Fund out of which an Member exchanges, that loss carryforward account balance will be forfeited and will have no effect on the calculation of the performance allocation due in respect of the Attain Platform Fund into which such Member exchanges.

*A new subscription agreement may be required for such exchange, even if a Member already holds an interest of the Attain Platform Fund(s) into which the exchange is being made.*

#### **Differences Among Attain Platform Funds and Considerations Relating to Exchanges**

There will be a number of potentially important differences among different Attain Platform Funds. The trading approaches of the different Attain Platform Funds, as well as their rate of return and performance volatility objectives, are likely to be materially different. There may also be material differences in the management fees, sponsor's fees, administrative charges, performance allocations, brokerage commissions and other expenses incurred by different Attain Platform Funds and/or different classes issued by the same Attain Platform Fund.

*A Member considering an exchange of interests will carefully need to review the confidential disclosure documents of the Attain Platform Funds into which such Member exchanges, which will provide and present information relating to the trading advisor for each Attain Platform Fund.*

#### **Restriction, Suspension or Termination of the Exchange Privilege**

The Manager anticipates that the Members' ability to exchange out of or into Attain Platform Funds will be dependent upon such Attain Platform Funds' abilities to permit withdrawals and/or subscriptions. The Attain Platform Funds have broad leeway to reject individual subscriptions. The Manager will not be under any obligation to continue the exchange privilege whether or not the Attain Platform Funds permit withdrawals and/or subscriptions. The Manager reserves the right to restrict or terminate the exchange privilege at any time. In addition, a Attain Platform Fund may mandatorily withdraw part or all of the balance of a member's capital account if the Manager determines that such member has a history of excessive exchanges between different Attain Platform Funds.

**NO ONE SHOULD INVEST IN THE FUND IN RELIANCE ON THE EXCHANGE PRIVILEGE. ALTHOUGH THE ATTAIN MANAGED FUTURES PLATFORM WILL ALLOW INVESTORS TO REALLOCATE INVESTMENTS THROUGH EXCHANGES AMONG ATTAIN PLATFORM FUNDS, INVESTORS SHOULD BE AWARE THAT ATTAIN MANAGED**



**FUTURES PLATFORM IS NOT DESIGNED TO ENCOURAGE FREQUENT OR SHORT-TERM EXCHANGES, WHICH MAY DETRACT FROM RETURNS.**

**CERTAIN INCOME TAX CONSEQUENCES**

The following is a summary of certain aspects of the U.S. federal income taxation of the Fund and its Members that should be considered by a prospective investor. The Fund has not sought a ruling from the IRS or any other federal, state or local agency with respect to any of the tax issues affecting the Fund or the Members. This summary of certain aspects of the U.S. federal income tax treatment of the Fund and its Members is based upon the Internal Revenue Code of 1986, as amended (the "Code"), judicial decisions, Treasury regulations (the "Regulations") and rulings in existence on the date hereof, all of which are subject to change. This summary does not discuss the impact of various proposals to amend the Code or the Regulations, which proposals, if enacted, could change certain of the tax consequences of an investment in the Fund. This summary also does not discuss all of the tax consequences that may be relevant to a particular investor or to certain investors subject to special treatment under the U.S. federal income tax laws, such as insurance companies.

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Any discussion of U.S. federal tax issues set forth in this Memorandum was written in connection with the promotion and marketing by the Fund and the Manager of the Interests. Such discussion is not intended or written to be legal or tax advice to any person and is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any U.S. federal tax penalties that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

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**Taxation of the Fund and the Members**

*Partnership Classification and Status*

The Fund will be classified as a partnership for U.S. federal income tax purposes. The Fund does not expect to be a publicly traded partnership taxable as a corporation for one or both of the following reasons: (i) the Fund does not have more than 100 partners (taking into account certain attribution rules of the Code and the Regulations) or (ii) the Fund meets certain income requirements that exempt it from being a publicly traded partnership taxable as a corporation.

The following discussion assumes that the Fund will be classified as a partnership (and will not be a publicly traded partnership taxable as a corporation) and that each Member will be treated as a partner in the Fund.

*Taxation of Partners on Profits and Losses of a Partnership*

Partnerships are not subject to U.S. federal income tax at the entity level. Each partner in a partnership is required for U.S. federal income tax purposes to take into account, in its taxable year with which or within which a taxable year of the partnership ends, its distributive share of all items of income,

gain, loss, and deduction for such taxable year of the partnership. A partner must take such items into account even if the partnership does not distribute cash or other property to the partner during the partner's taxable year.

The Fund does not anticipate that it will make current distributions. Accordingly, each Member should have alternative sources from which to pay its U.S. federal income tax liability or be prepared to withdraw such amounts from the Fund (subject to any applicable restrictions or limitations on Withdrawals).

Each Member will have a capital account that will be adjusted to reflect items of income, gain, loss and deduction of the Fund, as well as contributions and distributions. A Member's taxable income or loss can be expected to differ in any particular period from the appreciation or depreciation in its capital account, primarily because capital accounts will reflect the Member's share of unrealized gains and losses, which are generally not recognized for tax purposes until realized.

The allocations made by the Fund are generally expected to be in proportion to capital accounts. However, certain special allocations may be made to minimize the difference between a Member's adjusted tax basis in its Interest and the balance of its capital account. These special allocations are expected to occur primarily upon a full or partial Withdrawal, but could also occur at other times in which such a difference exists. These special allocations could cause a Member to have income, gain, loss or deduction of a different character than if such special allocations had not been made. Further, if such special allocations are not respected by the IRS, the Fund's tax items allocable to the remaining Members would be affected. This could result, among other things, in accelerated income, delayed losses, and various character differences from what the remaining Members would have otherwise had.

#### *Character and Timing of Profits and Losses*

The Fund is likely to recognize a mix of ordinary income and losses and capital gains and losses from its various investments, including gains and losses on the disposition of securities, interest income (including interest income related to the purchase of securities at a market discount or those with original issue discount), interest expense, foreign currency gains and losses, swap receipts and payments, gains and losses on other financial instruments, and other items of income and expense. In general, to the extent the Fund recognizes various items of income with respect to certain investments, such as interest income and gains on the disposition of a security, such items of income may be offset by various items of loss, if any, recognized by the Fund with respect to other investments. However, items of ordinary income may not be offset with capital losses, which generally are deductible only against capital gains.

Gains and losses are generally not taken into account until realized. However, there are certain financial instruments the gains and losses of which are required to be taken into account on an annual basis, whether or not realized. In addition, the Fund may elect to take into account on an annual basis all of the gains and losses on the Fund's qualifying investments, in which case such gains and losses would be ordinary rather than capital. Furthermore, there are a number of special rules under the Code that could materially delay the time at which the Fund is able to take into account realized losses. There are also special rules that may affect the time at which any particular Member is able to take into account realized losses.

The cumulative effect of the rules regarding the character and timing of income, gains and losses is that, for any given taxable period, a Member may be required to compute its tax liability with respect to its investment in the Fund based on an amount that exceeds such Member's economic income from its investment.

### *Section 1256 Contracts*

The Code imposes a “mark-to-market” system of taxing futures and futures options contracts traded on U.S. exchanges or certain foreign exchanges and certain foreign currency forward contracts (“Section 1256 Contracts”). Under this system, any unrealized profit or loss on positions in Section 1256 Contracts that are open as of the end of a taxpayer’s taxable year is treated as if such profit or loss had been realized for tax purposes as of such time. If an open position on which profit has been realized as of the end of a taxable year declines in value after such year-end and before the position is in fact offset, a loss is recognized for tax purposes at the end of the taxable year in which the value declines (irrespective of the fact that the taxpayer may actually have realized a gain on the position considered from the time that such position was initiated). The converse is the case with an open position on which a mark-to-market loss was recognized for tax purposes as of the end of a taxable year but which subsequently increases in value prior to being offset. In general, 60% of the net gain or loss which is realized on Section 1256 Contracts is treated as long-term capital gain or loss and the remaining 40% of such net gain or loss is treated as short-term capital gain or loss.

### *Limitations on Deductibility of Losses by Partners*

A partner in a partnership may not take partnership losses into account to the extent they exceed the partner’s adjusted tax basis for its partnership interest as of the end of the partnership’s taxable year in which the loss occurred.

Partners may be subject to other limitations on their ability to deduct losses of a partnership based on their own personal tax situations. In any event, tax losses are not an objective of the Fund.

### *Cash Distributions and Withdrawals*

A distribution of cash from a partnership to a partner other than in complete liquidation of the partner’s interest reduces the partner’s total tax basis of its interest in the partnership. Any cash distribution in excess of a partner’s adjusted tax basis is taxable to the partner as gain from the sale or exchange of its partnership interest.

A partner withdrawing from a partnership will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between the amount of the cash withdrawal proceeds and the partner’s adjusted tax basis for its partnership interest.

### *Limited Deduction for Certain Expenses*

Non-corporate taxpayers may be subject to limitations on their ability to deduct their respective shares of certain expenses of the Fund. Those expenses include investment advisory fees (such as the Management Fee, the Sponsor’s Fee and the Administrative Charge), net payments on certain swaps, and certain other deductions (collectively, “Aggregate Investment Expenses”). Aggregate Investment Expenses, when combined with certain of a non-corporate taxpayer’s other miscellaneous itemized deductions, will be deductible only to the extent such amount exceeds 2% of a taxpayer’s adjusted gross income.

Whether a Member will be subject to the foregoing limitation depends upon whether the Fund is determined to be a “trader” or “investor”, which depends upon the nature and extent of the Fund’s trading and investment activities. Such determination will be made by the Manager for each taxable year of the Fund, and the IRS may take a contrary position. In addition, although the Fund intends to treat the Performance Allocation as an allocation of income from the Fund, the IRS could contend that the

Performance Allocation should also be treated as an investment advisory fee includable in determining Aggregate Investment Expenses, and subject to the foregoing limitation on deductibility.

Further, for taxable years beginning after December 31, 2012, Aggregate Investment Expenses in excess of the 2% threshold, when combined with certain of an individual taxpayer's other itemized deductions, are subject to a reduction equal to, generally, 3% of the taxpayer's adjusted gross income in excess of a certain threshold amount. Moreover, Aggregate Investment Expenses are miscellaneous itemized deductions, which are not deductible by a non-corporate taxpayer in calculating its alternative minimum tax liability.

#### *Limitation on Deductibility of Interest on Investment Indebtedness*

Interest expense incurred by a Member to acquire or carry an Interest and interest expense incurred by the Fund allocable to its investments or trading activities will constitute investment interest. Investment interest is generally deductible by non-corporate taxpayers only to the extent it does not exceed net investment income (that is, generally, the excess of (i)(A) gross income from interest, dividends (other than qualified dividend income), rents and royalties, which would include a Member's share of the Fund's interest income, and (B) certain gains from the disposition of investment property, over (ii) the expenses directly connected with the production of such investment income). A non-corporate Member may elect to treat qualified dividend income and net capital gain from the disposition of investment property as investment income only to the extent such Member elects to make a corresponding reduction in the amount of qualified dividend income and net capital gain subject to tax at reduced rate. Any investment interest expense disallowed as a deduction in a taxable year solely by reason of the above limitation is treated as investment interest paid or accrued in the succeeding taxable year.

#### *Syndication*

Neither the Fund nor any Member is entitled to any deduction for syndication expenses, nor can these expenses be amortized by the Fund or any Member. Any selling commissions paid to placement agents will be characterized as a non-deductible syndication expense.

#### *Fund Tax Returns and Audits*

Although the Fund is not required to pay U.S. federal income tax, it will be required to file U.S. federal income tax information returns and will provide all Members with Schedules K-1 setting forth the U.S. federal income tax information necessary for them to file their individual tax returns. The tax treatment of Fund related items is determined at the Fund level rather than at the Member level. Under the LLC Agreement, the Manager has the authority to make all tax-related elections for the Fund and each Member is required to treat Fund items on its U.S. federal income tax returns consistently with the treatment of the items on the Fund's return, as reflected on the Schedules K-1.

The Manager, as the "tax matters partner", has considerable authority to make decisions affecting the tax treatment and procedural rights of all Members and, in some circumstances, the Manager will have the authority to settle tax controversies on behalf of certain Members. In general, the limitations period for assessment of deficiencies and claims for refunds with respect to items related to the Fund is three years after the Fund's tax return for the taxable year in question is filed, and the Manager has the authority to, and may, extend such period relating to all Members' tax liabilities with respect to Fund items. There can be no assurance that the Fund's tax returns will not be audited by the IRS or that no adjustments to such returns will be made as a result of such an audit.

### *Foreign Taxes*

Many foreign sovereigns impose a withholding tax on payments of interest and capital gains to investors residing in other countries and not otherwise subject to tax by that sovereign. Any withholding taxes imposed will be treated as distributions to the appropriate Members in the period in which such taxes are withheld. The corresponding foreign tax payments will be allocated to Members based on the deemed distribution for purposes of claiming a foreign tax credit or deduction (this tax treatment may, however, differ from the book accounting treatment for these transactions). The ability of a Member to claim a foreign tax credit or deduction for U.S. federal income tax purposes is subject to limitations, and each Member should consult its own tax advisor about the imposition of foreign taxes with respect to its investment in the Fund and the ability of such Member to claim a foreign tax credit or deduction, in light of such Member's specific circumstances.

### *Medicare Tax*

For taxable years beginning after December 31, 2012, a 3.8% tax will be imposed on some or all of the net investment income of certain individuals with modified adjusted gross income of over \$200,000 (\$250,000 in the case of joint filers) and the undistributed net investment income of certain estates and trusts. For these purposes, "net investment income" will include a Member's share of interest, gain and other income derived from the Fund's investment and trading activities.

### **Tax-Exempt Investors**

Generally, qualifying tax-exempt organizations, including pension and profit-sharing plans, are exempt from U.S. federal income taxation. This general exemption from tax does not apply to the unrelated business taxable income ("UBTI") of a tax-exempt organization. UBTI includes unrelated debt-financed income, which generally consists of income and gains derived by a tax-exempt organization from the disposition of property that has been acquired with borrowed money. Because the Fund may borrow money to make investments and for other purposes, a tax-exempt investor may have UBTI as a result of investing in the Fund. The amount of unrelated debt-financed income allocable to a tax-exempt investor may exceed the amount of net income allocable to such investor because, in general, only certain portions of a Fund's trading activities will be debt-financed, and losses on other trading might not be allowed to offset gains on debt-financed trading. In addition, the IRS may disagree with the Fund's computation of the amount of net income that is debt-financed.

Accordingly, income or gain realized on an investment in the Fund by a tax-exempt investor will result in UBTI if the tax-exempt investor incurs borrowing in connection with its purchase of an Interest.

A charitable remainder trust that recognizes any UBTI in any taxable year is subject to a 100% tax on all of the trust's UBTI earned during that year.

### **State and Local Taxation**

In addition to the U.S. federal income tax consequences described above, the Fund and the Members may be subject to other taxes such as state, local or municipal income taxes, and estate, inheritance or intangible property taxes. Certain of such taxes could, if applicable, have a significant effect on the amount of tax payable in respect of an investment in the Fund.

The state and local tax issues relevant to the Fund may arise under various taxing schemes, which impose taxes on entities treated as partnerships for federal income tax purposes, taxation of resident individuals on their worldwide income, taxation of and withholding on the distributive share of a

nonresident partner, franchise and capital taxes, gross income taxes, net income taxes, value added taxes and gross receipts taxes.

State and local laws often differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Member's distributive share of the taxable income or loss of the Fund generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which the Member is a resident. For Members that are taxed as taxable entities for state or local income tax purposes, the taxable nexus, income and apportionment factors of the Fund may flow through to the Member and such flow-through may disproportionately impact the taxability of the Member in one or more jurisdictions relative to that Member's distributive share from the Fund. For Members who are individuals, the taxable nexus and apportioned income of the Fund will generally flow through to the Member and the Member's distributive share of the taxable income or loss of the Fund generally will be required to be included in determining his or her reportable income for state and local income tax purposes in the jurisdiction in which the Member is a resident as well as the jurisdictions from which the Member derives income and has established taxability as a nonresident, which may include the jurisdictions in which the Fund has established a taxable nexus. Many states may permit or require the Fund to file a composite, combined, group, block or similar tax return and to make tax payments on behalf of each eligible non-resident Member. As a convenience to Members, the Fund may, in its sole discretion, make composite state tax filings and payments when feasible and offer each eligible Member the opportunity to join in such returns to the extent permitted by state law. Other states may require withholding from the distributive shares attributable to the Members. Any state taxes (including estimated taxes) paid by the Fund on behalf of a Member as withholding, on a combined return, or otherwise will be charged to such Member's capital account. Prospective investors should consult their tax advisors with respect to the availability of a credit for such tax in the jurisdiction in which that prospective investor is a resident.

Members may be subject to state and/or local income, franchise, withholding, capital gain or other tax payment obligations and filing requirements in those jurisdictions where the Fund is regarded as doing business or purposefully directing its economic activity in a regular, continuous and substantial manner. Credits for these taxes may not be available (or may be subject to limitations) in the jurisdictions in which Members are resident or are otherwise taxable. Certain jurisdictions limit the deductibility of itemized deductions and interest expense for individual taxpayers at certain income levels, which may apply to a Member's share of the Fund's interest or other expenses.

#### *Illinois Tax Considerations*

The Manager believes, and has so advised that, as required by the investment partnership provisions of the Illinois Income Tax Act (i) 90% or more of the gross income expected to be generated by the Fund will consist of interest and gains from the sale or exchange of "qualifying investment securities" for purposes of the 1.5% Illinois personal property tax replacement income tax (the "Replacement Tax"), (ii) no less than 90% of the Fund's cost of its total assets will consist of "qualifying investment securities," deposits at banks or other financial institutions and office space and equipment reasonably necessary to carry on its activities as an investment partnership and (iii) the Fund will not be a dealer in qualifying investment securities. The Manager believes that, provided the Fund continues to meet the requirements of the investment partnership provisions of the Illinois Income Tax Act, the Fund should not be subject to the Replacement Tax. This conclusion is not binding on the Illinois Department of Revenue or on any court, and there can be no assurance that the Illinois Department of Revenue will not assert that the Fund should be subject to the Replacement Tax. If the foregoing tests are not met, and the Fund incurs a Replacement Tax, it will be charged and allocated to the Members who do not themselves pay the Replacement Tax. Whether or not the Fund qualifies as an investment partnership is a

question of fact that could change from year to year, and there can be no assurance that the Fund will in fact qualify in any particular year as an investment partnership.

**PROSPECTIVE INVESTORS MUST CONSULT THEIR OWN TAX ADVISORS REGARDING THE POSSIBLE APPLICABILITY OF STATE, LOCAL OR MUNICIPAL TAXES TO AN INVESTMENT IN THE FUND.**

### **Non-U.S. Members**

As discussed in more detail below, a non-U.S. Member generally should not be subject to taxation by the United States (other than certain withholding taxes) with respect to its investment in the Fund so long as such Member does not spend more than 182 days in the United States during its taxable year, does not otherwise have a substantial connection with the United States and is not engaged, or deemed to be engaged, in a U.S. trade or business.

An investment in the Fund should not, by itself, cause a non-U.S. Member to be engaged in a U.S. trade or business for the foregoing purposes, so long as (i) the Fund is not considered a dealer in stocks, securities or commodities, and does not regularly offer to enter into, assume, offset, assign, or terminate positions in derivatives with customers, (ii) the Fund's U.S. business activities (if any) consist solely of investing in and/or trading stocks or securities, commodities of a kind customarily dealt in on an organized commodity exchange (if the transaction is of a kind customarily consummated at such place) and derivatives for its own account, and (iii) any entity in which the Fund invests that is treated as a disregarded entity or partnership for U.S. federal income tax purposes is not engaged in, or deemed to be engaged in, a U.S. trade or business. The Fund intends to conduct its affairs in a manner that meets such requirements.

If notwithstanding the Fund's intention, the Fund were engaged in, or deemed to be engaged in, a U.S. trade or business during a year, non-U.S. Members would also be deemed to be so engaged by virtue of their ownership of Interests. In that event, a non-U.S. Member would be required to file a U.S. federal income tax return for such year and pay tax on its income and gain that is effectively connected with that U.S. trade or business at the tax rates applicable to similarly situated U.S. persons. In addition, any non-U.S. Member that is a corporation for U.S. federal income tax purposes may be required to pay a branch profits tax equal to 30% of the dividend equivalent amount for the taxable year. The Fund would also be required to withhold taxes on any income and gain effectively connected with a U.S. trade or business that is allocable to that non-U.S. Member under Section 1446 of the Code.

Even assuming that the Fund is not engaged in, or deemed to be engaged in, a U.S. trade or business, non-U.S. Members will be subject to a 30% U.S. withholding tax on the gross amount of their allocable share of Fund income that is (i) U.S. source interest income that falls outside the portfolio interest exception or other available exception to withholding tax and (ii) any other U.S. source fixed or determinable annual or periodical gains, profits or income.

Non-U.S. Members who are resident alien individuals of the United States (generally, individuals lawfully admitted for permanent residence, or who have a substantial presence, in the United States) or for whom their allocable share of Fund income and gain, and the gain realized on the sale or disposition of an Interest is otherwise effectively connected with their conduct of a U.S. trade or business will be subject to U.S. federal income taxation on such income and gains.

In addition, in the case of a Member who is non-resident alien individual, any allocable share of capital gains will be subject to a 30% U.S. federal income tax (or lower treaty rate if applicable) if (i) such individual is present in the United States for 183 days or more during the taxable year and (ii) such gain is

derived from U.S. sources. Although the source of such gain is generally determined by the place of residence of the non-U.S. Members, resulting in such gain being treated as derived from non-U.S. sources, source may be determined with respect to certain other criteria resulting in such gain being treated as derived from U.S. sources. In addition, such gain will be treated as derived from U.S. sources if it is attributable to an office or other fixed place of business in the United States maintained by such non-U.S. Member. For this purpose, an office or other fixed place of business of the Fund will be attributed to such non-U.S. Member. Members who are non-resident alien individuals should consult their tax advisors with respect to the application of these rules to their investment in the Fund.

The HIRE Act requires certain foreign entities to enter into an agreement with the Secretary of the Treasury to disclose to the IRS the name, address and tax identification number of certain U.S. persons who own an interest in the foreign entity and require certain other foreign entities to provide certain other information to avoid a 30% withholding tax on certain payments of U.S. source income and certain payments of proceeds from the sale of property that could give rise to U.S. source interest or dividends. The IRS has released proposed regulations and preliminary guidance that provide for the phased implementation of the foregoing withholding and reporting requirements. Accordingly, certain non-U.S. Members may be subject to a 30% withholding tax in respect of certain of the Fund's investments if they fail to enter into an agreement with the Secretary of the Treasury or otherwise fail to satisfy their obligations under the legislation. Non-U.S. Members are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on an investment in the Fund.

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THE FOREGOING DISCUSSION IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING, PARTICULARLY SINCE CERTAIN OF THE INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND MAY NOT BE THE SAME FOR ALL TAXPAYERS. ACCORDINGLY, PROSPECTIVE INVESTORS IN THE FUND ARE URGED TO CONSULT THEIR TAX ADVISORS WITH SPECIFIC REFERENCE TO THEIR OWN TAX SITUATION UNDER FEDERAL LAW AND THE PROVISIONS OF APPLICABLE STATE AND LOCAL LAWS BEFORE SUBSCRIBING FOR AN INTEREST.

## **INVESTMENTS BY EMPLOYEE BENEFIT PLANS**

### **General**

The following section sets forth certain consequences under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Code which a fiduciary of an "employee benefit plan," as defined in, and subject to the fiduciary responsibility provisions of, ERISA, or of a "plan," as defined in, and subject to Section 4975 of, the Code, who has investment discretion should consider before deciding to invest the plan's assets in the Fund (such "employee benefit plans" and "plans" being referred to herein as "Plans," and such fiduciaries with investment discretion being referred to herein as "Plan Fiduciaries"). The following summary is not intended to be complete, but only to address certain questions under ERISA and the Code which are likely to be raised by the Plan Fiduciary's own counsel.

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Any discussion of U.S. federal tax issues set forth in this Memorandum was written in connection with the promotion and marketing by the Fund and the Manager of the Interests. Such discussion is not intended or written to be legal or tax advice to any person and is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any U.S. federal tax penalties that may be



imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

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In general, the terms “employee benefit plan,” as defined in ERISA, and “plan,” as defined in Section 4975 of the Code, together refer to any plan or account of various types which provides retirement benefits or welfare benefits to an individual or to an employer’s employees and their beneficiaries. Such plans and accounts include, but are not limited to, corporate pension and profit-sharing plans, “simplified employee pension plans,” Keogh plans for self-employed individuals (including partners), individual retirement accounts described in Section 408 of the Code and medical benefit plans.

Each Plan Fiduciary must give appropriate consideration to the facts and circumstances that are relevant to an investment in the Fund, including the role an investment in the Fund plays in the Plan’s investment portfolio. Each Plan Fiduciary, before deciding to invest in the Fund, must be satisfied that investment in the Fund is a prudent investment for the Plan, that the investments of the Plan, including the investment in the Fund, are diversified so as to minimize the risks of large losses and that an investment in the Fund complies with the documents of the Plan and related trust.

EACH PLAN FIDUCIARY CONSIDERING ACQUIRING AN INTEREST MUST CONSULT ITS OWN LEGAL AND TAX ADVISORS BEFORE DOING SO.

### **Restrictions on Investments by Benefit Plan Investors**

ERISA and a regulation issued thereunder contain rules for determining when an investment by a Plan in an entity will result in the underlying assets of the entity being assets of the Plan for purposes of ERISA and Section 4975 of the Code (*i.e.*, “plan assets”). Those rules provide that assets of an entity will not be plan assets of a Plan which purchases an interest therein if the investment by all “benefit plan investors” is not “significant” or certain other exceptions apply. The term “benefit plan investors” includes all Plans (*i.e.*, all “employee benefit plans,” as defined in and subject to the fiduciary responsibility provisions of ERISA, and all “plans,” as defined in and subject to Section 4975 of the Code) and all entities that hold “plan assets”(each, a “Plan Assets Entity”)due to investments made in such entities by such benefit plan investors. In addition, al or a portion of an investment made by an insurance company using assets from its general account may be treated as a benefit plan investor. ERISA provides that a Plan Assets Entity is considered to hold plan assets only to the extent of the percentage of the Plan Assets Entity’s equity interests held by benefit plan investors. Investments by benefit plan investors will be deemed not significant if benefit plan investors own, in the aggregate, less than 25% of the total value of each class of equity interests of the entity (determined by not including the investments of persons with discretionary authority or control over the assets of such entity, of any person who provides investment advice for a fee (direct or indirect) with respect to such assets, and “affiliates” (as defined in the regulations issued under ERISA) of such persons; provided, however, that under no circumstances are investments by benefit plan investors excluded from such calculation).

In order to avoid causing assets of the Fund to be “plan assets,” the Manager intends to restrict the aggregate investment by benefit plan investors to under 25% of the total value of each class of equity interests of the Fund (not including the investments of the Manager, the Trading Advisor, any person who provides investment advice for a fee (direct or indirect) with respect to the assets of the Fund, and any entity (other than a benefit plan investor) that is directly or indirectly through one or more intermediaries controlling, controlled by or under common control with any of such entities (including a partnership or other entity for which the Manager is the general partner, investment adviser or provides investment

advice), and each of the principals, officers and employees of any of the foregoing entities who has the power to exercise a controlling influence over the management or policies of such entity or of the Fund. Furthermore, because the 25% test is ongoing, it not only restricts additional investments by benefit plan investors, but also can cause the Manager to require that existing benefit plan investors withdraw from the Fund in the event that other investors withdraw. If rejection of subscriptions or such mandatory Withdrawals are necessary or advisable, as determined by the Manager, to avoid causing the assets of the Fund to be “plan assets,” the Manager will effect such rejections or Withdrawals in such manner as the Manager, in its sole discretion, determines.

### **Ineligible Purchasers**

In general, Interests may not be purchased with the assets of a Plan if the Manager, the Administrator, the Trading Advisor, the Clearing Broker, the IB, any person who introduces prospective investors to the Fund, any of their respective affiliates or any of their respective employees either: (i) has investment discretion with respect to the investment of such plan assets; (ii) has authority or responsibility to give or regularly gives investment advice with respect to such plan assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such plan assets and that such advice will be based on the particular investment needs of the Plan; or (iii) is an employer maintaining or contributing to such Plan. A party that is described in clause (i) or (ii) of the preceding sentence is a fiduciary under ERISA and the Code with respect to the Plan, and any such purchase might result in a “prohibited transaction” under ERISA and the Code.

Except as otherwise set forth, the foregoing statements regarding the consequences under ERISA and the Code of an investment in the Fund are based on the provisions of the Code and ERISA as currently in effect, and the existing administrative and judicial interpretations thereunder. No assurance can be given that administrative, judicial or legislative changes will not occur that may make the foregoing statements incorrect or incomplete.

ACCEPTANCE OF SUBSCRIPTIONS ON BEHALF OF PLANS IS IN NO RESPECT A REPRESENTATION BY THE MANAGER OR ANY OTHER PARTY RELATED TO THE FUND THAT THIS INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY ANY PARTICULAR PLAN OR THAT THIS INVESTMENT IS APPROPRIATE FOR ANY PARTICULAR PLAN. THE PERSON WITH INVESTMENT DISCRETION SHOULD CONSULT WITH HIS OR HER ATTORNEY AND FINANCIAL ADVISORS AS TO THE PROPRIETY OF AN INVESTMENT IN THE FUND IN LIGHT OF THE CIRCUMSTANCES OF THE PARTICULAR PLAN.

### **SUBSCRIPTION PROCEDURE**

Each prospective Member must complete and deliver to the Manager a complete Subscription Application, which includes all of the following:

- a. An originally executed LLC Agreement (attached as Exhibit A to this Memorandum);
- b. An originally executed Subscription Agreement (attached to this Memorandum as Exhibit B);
- c. A completed and executed Confidential Purchaser Questionnaire (attached as Exhibit C to this Memorandum), as appropriate;
- d. An executed Acknowledgement of Receipt of Confidential Memorandum (attached as Exhibit D to this Memorandum); and

- e. A check made payable to “Attain Managed Futures Trend Following Fund LLC” or a wire transfer to the Fund’s account at BMO Harris Bank, NA in Chicago, Illinois.

The Manager may, in its sole discretion, reject any Subscription Agreement for any reason.

## GENERAL

### Confidentiality

Each Member agrees that such Member will not distribute any information regarding the Manager, the Fund or the Fund’s trading activities without the express written approval of the Manager and that such Member’s investment in the Fund (including the performance of such investment) as well as all information concerning the Manager and the Fund must be maintained on a strictly confidential basis.

### Material Contracts

The following Material Contracts are either delivered in conjunction with this Memorandum or are available upon request to the Administrator. All Members will be conclusively presumed to have consented to all the terms of the Material Contracts by submitting their respective Subscription Agreements:

- *LLC Agreement*
- *Investment Management Agreement between the Fund and the Trading Advisor*
- *The Administrative Services Agreement between the Fund and the Administrator*
- *Introducing Broker Agreement between the Fund and RCM*
- *Commodity Account Agreement between the Fund and the Clearing Broker*
- *Form of Subscription Agreement*

### Proportionate Shares

Members will participate in the Fund’s portfolio *pro rata* in accordance with their respective Proportionate Shares.

A Member’s “Proportionate Share” will equal the fraction (expressed as a percentage) the numerator of which is the balance in such Member’s Capital Account and the denominator of which is the balance of all Members’ Capital Accounts. Such Member’s initial Capital Contribution (as well as subsequent Capital Contributions) participates in the Fund’s portfolio in accordance with the amount of such Capital Contributions and the aggregate fair value of the Fund’s portfolio (including the amount of such Capital Contributions).

### **Liability of Members**

No Member will be personally liable for or subject to any liability or obligation whatsoever of the Fund. Irrespective of whether one or more Members may have deficit Capital Accounts, no Members will have any obligation to make any subscription with respect to such deficits, and no such deficits will be considered a debt owed by any such Members to the Fund or to any other Members for any purpose whatsoever.

## **Management of Fund Affairs**

The Members take no part in the management of and have no voice in the operation of the Fund and will not have any right to remove or replace the Manager. Responsibility for managing the Fund and complete trading authority over its assets is vested solely in the Manager. To facilitate the execution of various documents by the Manager on behalf of the Fund and the Members, the Members appoint the Manager their attorney-in-fact by executing a power of attorney which is part of the LLC Agreement.

## **Dissolution of the Fund**

The affairs of the Fund will be wound up and the Fund dissolved: (i) December 31, 2033; (ii) upon the withdrawal, bankruptcy, or dissolution of the last remaining manager; or (iii) if the Manager so elects (which it may do without prior notice and without any violation of the LLC Agreement or of the Manager's fiduciary obligations).

## **Reserves**

The Manager may establish such reserves on the Fund's books as the Manager determines to be necessary or advisable with respect to accrued or contingent liabilities, estimated or other potential liabilities, future expenses or for any other reason. The Manager may also establish such reserves on the Fund's books with respect to any given Member as the Manager deems necessary or advisable to prevent such Member's Capital Account balance from having a negative Net Asset Value. Reserves will reduce the Fund's Net Asset Value and may be attributable to the Fund as a whole, to a particular investment or to one or more Members.

The Manager will inform all affected Members of the Manager's establishment of any material reserve in the next regular report to Members following the establishment of such reserve.

When reserves are reversed, such reversal may be allocated to the Members against which such reserves were created or to the current Members *pro rata* in accordance with their respective Proportionate Shares.

## **Amendments**

The LLC Agreement may be amended at any time with the written consent of the Manager and the Members holding in excess of 50% of the aggregate member capital account balances; provided, that no supplemental or amendatory agreement shall, without the consent of all Members, extend the term of the Fund, reduce the capital account of any Member or modify the percentage of profits, losses or distributions to which any Member is entitled.

The approval of the Members may be obtained by the Manager by means of a written notice to the Members requiring each Member to respond to the Manager in the negative by a specified time or to be deemed to have approved of the proposed amendment if such negative response is not received by such specified time.

The Manager may, without the consent of the Members, modify or amend any provision of the LLC Agreement in any manner that does not adversely affect the Members in any material respect or that is required or contemplated by other provisions of the LLC Agreement. In addition, the Manager may, without the consent of the Members, modify or amend any provision of the LLC Agreement that is appropriate or necessary, in the opinion of the Manager, to conform the LLC Agreement to any requirement of law or to prevent the Fund or the Manager from being subjected to the provisions of the

Investment Company Act of 1940, as amended, the Investment Advisors Act of 1940, as amended, or “plan asset” regulations adopted under ERISA.

## **Reports**

The Fund will cause its Administrator to send to each Member, on a monthly basis, estimates of the Fund’s performance and of the increase or decrease in the Net Asset Value of such Member’s Capital Account during the preceding month, as well as such other information as the Manager may determine.

The Fund will provide Members with annual financial statements, and all tax information relating to their investment in the Fund necessary for U.S. federal income tax purposes, for each Fiscal Year. The Manager anticipates that such statements and information will be available within 90 calendar days after the end of each of the Fund’s Fiscal Years (although there can be no assurance as to the timing of such financial statements and tax information).

The Fund’s monthly reports and annual financial statements will comply with applicable CFTC regulations; including containing the “oath and affirmation” of the Manager’s Chief Financial Officer that such reports and financial statements are, to the best of such Chief Financial Officer’s knowledge, accurate and complete.

## **Books and Records**

Members may, during reasonable business hours, inspect the books of account of the Fund at the principal office of the Fund for valid, non-commercial, equitable purposes relating to such Member’s status as a Member or as required by Law. Members’ inspection rights will not include the right to copy any books or records, will be limited to the financial ledgers of the Fund and will specifically not include the right to inspect: (i) trading records; (ii) accountants’ work papers or back-up; (iii) the Fund’s open positions at any point in time; (iv) proprietary information relating to the strategies implemented by the Manager on behalf of the Fund; or (v) the names or other identifying features of other Members.

Any inspection of the Fund’s records will be permitted only upon no fewer than ten (10) Business Days’ notice to the Manager, and will be at the expense of the Member requesting such inspection.

No Member, group of related Members or group of Members acting in concert may inspect the Fund’s records more than once in any period of 12 consecutive calendar months.

## **Insurance**

The Manager may purchase, at the expense of the Fund, insurance to insure the Manager Parties for actions taken on behalf of the Fund, as well as to insure third-party Manager Parties, against liability (including liability arising in connection with the operation of the Fund).

The insurance obtained covering the Manager Parties protects the Fund from having to indemnify such persons. To the extent that the insurance obtained by the Fund includes coverage which exceeds the scope of the indemnification provided by the Fund, the Manager will allocate a portion of the premium cost of such insurance (as reasonably, but necessarily approximately, determined by the Manager) to the Manager rather than the Fund.

## **Electronic Delivery of Documents**

The Fund will deliver to the Members audited financial statements annually and unaudited interim account statements monthly, as well as provide other investor notices. In order to improve the timeliness of delivery and promote cost savings, the Fund may deliver its financial statements and investor newsletters, supplements to this Memorandum, revised Fund governing documents, offers to deliver annual privacy notices and other investor notices and materials by e-mail to the address in the Fund's records. When delivering documents by e-mail, the Fund will generally distribute them as attachments to e-mails in Adobe's Portable Document Format ("PDF"). (The Adobe Acrobat Reader software is available free of charge from Adobe's web site at [www.adobe.com](http://www.adobe.com). The Reader software must correctly be installed on the investor's system before one will be able to view documents in PDF format.) By acquiring an Interest, each Member is consenting to electronic delivery of such documents. Members who do not wish to receive such documents electronically, or who wish to change the method of notice, must so elect by notifying the Manager in writing.

## **Investor Suitability Standards**

Each prospective investor must represent and warrant in its Subscription Agreement that, among other things, such prospective investor has reviewed and understands the risks of an investment in the Fund and has the financial knowledge and experience to evaluate such investment. In addition to being financially sophisticated, each prospective investor must be able to bear the substantial risks of an investment in the Fund, including the loss of an entire investment.

In addition, all but 35 investors must represent in writing that they meet one of the following conditions: (i) an individual income in excess of \$200,000 in each of the two most recent years or a joint income with that person's spouse in excess of \$300,000 in each of those years and a reasonable expectation of reaching the same income level in the current year; (ii) an individual net worth or a joint net worth with the subscriber's spouse, at the time of purchase, in excess of \$1,000,000 (net worth for these purposes excludes primary residence); or (iii) the subscriber otherwise satisfies the Fund that he is an "accredited investor," as that term is defined in Rule 501 of Regulation D, promulgated by the Securities and Exchange Commission. The Fund may accept 35 subscribers who do not satisfy any of the conditions set forth in this paragraph.

The suitability standards set forth herein and in the Subscription Agreement are minimum requirements and that the satisfaction of these standards does not necessarily mean that the Fund is a suitable investment for you even if you meet such standards.

**PROSPECTIVE INVESTORS MUST CONSULT THEIR OWN TAX, LEGAL AND FINANCIAL ADVISORS WITH RESPECT TO THEIR INDIVIDUAL CIRCUMSTANCES AND THE SUITABILITY OF AN INVESTMENT IN THE FUND IN LIGHT OF THE MATERIAL RISKS AND CONFLICTS OF INTEREST TO WHICH THE MANAGER AND THE FUND ARE SUBJECT.**

## **Anti-Money Laundering**

As part of the Fund's responsibility for the prevention of money laundering, the Manager and its Affiliates, subsidiaries or associates may require a detailed verification of a Member's identity, any beneficial owner underlying the account and the source of the payment.

The Manager reserves the right to request such information and documentation as is necessary to verify the identity of a Member and the underlying beneficial owner of an Interest. In the event of delay or failure by the Member to produce any information required for verification purposes or on the basis of

such information that is provided, the Manager may refuse to accept a Capital Contribution or may cause the Withdrawal of any such Member from the Fund. Requests for documentation and additional information may be made at any time during which a Member holds an Interest. The Manager may be required to provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without notifying the Members that the information has been provided. The Manager, by written notice to any Member, may suspend the payment of Withdrawal Proceeds to such Member if the Manager reasonably deems it necessary or advisable to do so to comply with anti-money laundering regulations applicable to the Fund, the Manager or any of the Fund's other service providers. The Manager will take such steps as it determines are necessary or advisable to comply with applicable Law, regulations, orders, directives or special measures. Governmental authorities are continuing to consider anti-money laundering measures to implement, and at this point it is unclear what steps the Manager may be required or deem it advisable to take.

Each Member will be required to make such representations to the Fund as the Fund and the Manager will require in connection with such anti-money laundering programs, including, without limitation, representations to the Fund that such Member is not a prohibited country, territory, individual or entity listed on the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that it is not directly or indirectly affiliated with, any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programs. Such Member will also be required to represent to the Fund that amounts invested by such Member in the Fund were not directly or indirectly derived from activities that may contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. The Manager on behalf of the Fund reserves the right to request such information as the Manager deems necessary or advisable to verify the identity of each Member and the underlying beneficial owner(s) of a Member's Interest.

### **LEGAL AND ACCOUNTING MATTERS**

In connection with the preparation of this Memorandum, counsel for the Fund and the Manager have relied upon information provided to them by the Manager and its representatives; no systematic effort has been made to verify any of the material information contained herein; moreover, much of such information is not subject to independent verification. In addition, counsel for the Fund and the Manager have made no independent investigation of the information or past trading performance concerning the Manager. Because substantial portions of the information contained in this Private Placement Memorandum have been provided by the Manager and such information has not been independently verified by a third party, you must make whatever independent inquiries you or your advisors deem necessary to verify or confirm the statements made herein

The Fund's independent auditor is Arthur F. Bell, Jr. & Associates, L.L.C.

### **ACCESS TO INFORMATION**

Prospective investors are invited to review, at the Fund's principal office, any materials available to the Manager relating to: the Manager and the Fund; their respective operations; their respective officers and directors; and this offering (subject to the terms of the LLC Agreement as well as reasonable assurances of confidentiality). The Manager and the Fund will answer all inquiries from prospective investors relating thereto. The Manager will afford prospective investors the opportunity to obtain any additional information necessary to verify the accuracy of any representations or information set forth in this Memorandum to the extent the Manager possesses such information or can acquire it without unreasonable effort or expense. Such review will not include the Fund's outstanding positions and is further limited by the proprietary and confidential nature of the investment strategies implemented by the

Manager and by the confidentiality of personal information relating to other Members and prospective investors.

## **PRIVACY POLICY**

**THE FUND AND THE MANAGER (COLLECTIVELY, “ATTAIN”) ARE COMMITTED TO MAINTAINING THE PRIVACY OF PROSPECTIVE, CURRENT OR FORMER INVESTORS IN THE FUND. ATTAIN RECOGNIZES THAT ITS INVESTORS ENTRUST ATTAIN WITH HIGHLY CONFIDENTIAL PERSONAL AND FINANCIAL INFORMATION, AND ATTAIN UNDERSTANDS THAT PROTECTING AND SAFEGUARDING THIS INFORMATION IS IMPORTANT.**

**IN THE COURSE OF PROCESSING AN INVESTOR’S SUBSCRIPTION AGREEMENT TO THE FUND AND ATTAIN’S ONGOING DEALINGS WITH SUCH INVESTOR, ATTAIN MAY OBTAIN NON-PUBLIC PERSONAL INFORMATION ABOUT SUCH INVESTOR. THIS INFORMATION MAY INCLUDE THE INVESTOR’S NAME, ADDRESS, TELEPHONE NUMBER, EMAIL ADDRESS, PASSPORT NUMBER, SOCIAL SECURITY NUMBER, TAXPAYER IDENTIFICATION NUMBER, BANK ACCOUNT NUMBER, TRANSACTION HISTORY AND OTHER PERSONAL INFORMATION. ATTAIN MAY COLLECT DIFFERENT TYPES OF INFORMATION IN A VARIETY OF WAYS, INCLUDING:**

- INFORMATION WHICH ATTAIN RECEIVES FROM AN INVESTOR’S SUBSCRIPTION AGREEMENT, FROM OTHER FORMS AND QUESTIONNAIRES, OR OTHERWISE IN THE COURSE OF ESTABLISHING AN INVESTOR RELATIONSHIP.**
- INFORMATION ABOUT AN INVESTOR’S TRANSACTIONS WITH ATTAIN, ITS AFFILIATES, OR OTHERS, SUCH AS SUCH INVESTOR’S INVESTMENT AND WITHDRAWAL HISTORY.**

**ATTAIN USES THIS INFORMATION FOR MARKETING PURPOSES AS WELL AS INTERNAL ADMINISTRATION AND ANALYSIS. ATTAIN DOES NOT DISCLOSE ANY NON-PUBLIC PERSONAL INFORMATION ABOUT PROSPECTIVE, CURRENT OR FORMER INVESTORS IN THE FUND TO ANY NON-AFFILIATED PARTIES, EXCEPT TO THIRD-PARTY SERVICE PROVIDERS WHO ASSIST IN THE OPERATION OF ATTAIN’S BUSINESS, AS REQUIRED BY LAW, AT THE REQUEST OR WITH THE CONSENT OF ANY SUCH INVESTOR. ATTAIN RESTRICTS ACCESS TO NON-PUBLIC PERSONAL INFORMATION TO THOSE PERSONNEL, AGENTS OR OTHER PARTIES WHO NEED TO KNOW THAT INFORMATION TO PROVIDE SERVICES TO SUCH PERSONS. ATTAIN MAINTAINS PHYSICAL, ELECTRONIC AND PROCEDURAL SAFEGUARDS TO PROTECT NON-PUBLIC PERSONAL INFORMATION. FOR THE LIMITED PURPOSES OUTLINED ABOVE, ATTAIN MAY DISSEMINATE INTERNALLY NON-PUBLIC, PERSONAL INFORMATION CONCERNING INVESTORS. HOWEVER, ATTAIN WILL USE REASONABLE BEST EFFORTS TO ENSURE THAT SUCH INFORMATION IS TREATED IN ACCORDANCE WITH THIS PRIVACY POLICY.**

**BY DISCLOSING PERSONAL INFORMATION TO ATTAIN, THE DISCLOSING PARTY CONSENTS TO THE COLLECTION, STORAGE AND PROCESSING OF ITS PERSONAL INFORMATION BY ATTAIN IN A MANNER CONSISTENT WITH THIS PRIVACY POLICY.**



**ATTAIN WILL PROVIDE ALL CURRENT INVESTORS WITH A COPY OF ITS PRIVACY POLICY ANNUALLY, AND IF ANY MATERIAL CHANGES OCCUR TO ITS PRIVACY POLICY, ATTAIN WILL NOTIFY INVESTORS AS PROMPTLY AS PRACTICABLE OF SUCH CHANGES. IF YOU HAVE ANY QUESTIONS ABOUT THIS PRIVACY POLICY, PLEASE CALL A REPRESENTATIVE OF ATTAIN AT (312) 870-1520.**

**FOR THE AVOIDANCE OF DOUBT, THE FOREGOING PRIVACY POLICY SHALL NOT PREVENT ATTAIN FROM DISCLOSING TO APPROPRIATE THIRD PARTIES SUCH INFORMATION AS ATTAIN MAY DEEM NECESSARY OR ADVISABLE IN ORDER TO COMPLY WITH APPLICABLE ANTI-MONEY LAUNDERING AND OTHER APPLICABLE LAWS AND REGULATIONS.**

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