

BREAK-EVEN ANALYSIS

Be advised that this Break Even analysis is an example and not specifically tied to any specific CTA.

***** I M P O R T A N T *****
PLEASE READ CAREFULLY

Please note that your introducing broker may charge a front-end fee which must be recovered, along with the commissions and CTA fees, in order for your account to be profitable. **The following presents a two year break-even analysis assuming the highest amount of fees that can be charged your account. Note that in some programs the minimum starting investment may be higher than \$50,000.00.**

	<u>Year 1</u>	<u>Year 2</u>
Initial Investment	\$50,000	\$50,000
Up-Front Fee	\$ 1,500(1)	\$ 0
Management Fee	\$ 940(2)	\$ 940(2)
Commissions	\$ 4,700(3)	\$ 4,700(3)
Round-Turns	\$ 1,200(4)	\$ 1,200(4)
Accounting Fee	\$ 240(5)	\$ 240(5)
Incentive Fee	\$ 500(2)	\$ 0(6)
Amount of Income to		
Break-even	\$9,080	\$ 7,080
Break-even %	18%	14%

Please be apprised that these calculations include an estimation of the round-turn commission on an annual basis. This amount of the above fees could differ but will not have a material effect on the break-even percentage.

- (1) Based upon an up-front fees of 3% charged by the IB.
- (2) Based on management fee of 2% and incentive fee of 25%.
- (3) Commissions charged by IB based on .83% of the monthly net equity received by IB.
- (4) Commissions charged by FCM based on \$20 per round-turn multiplied by the average number of round-turns placed by the CTA, average of 12 round-turns per month.
- (5) Accounting fee of \$20 charged by FCM monthly.
- (6) No incentive fees are shown as they will be charged only after taking into account all expenses.