DISCLOSURE DOCUMENT

OF

HB CAPITAL MANAGEMENT, INC.

A DELAWARE CORPORATION REGISTERED WITH THE COMMODITY FUTURES TRADING COMMISSION AS A COMMODITY TRADING ADVISOR

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

THE DATE OF THIS DISCLOSURE DOCUMENT IS DECEMBER 15, 2017 AND THIS DISCLOSURE DOCUMENT MAY NOT BE UTILIZED AFTER DECEMBER 15, 2018.

THE DELIVERY OF THIS DISCLOSURE DOCUMENT AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS DISCLOSURE DOCUMENT.

NO PERSON IS AUTHORIZED BY HB CAPITAL MANAGEMENT INC. TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS DISCLOSURE DOCUMENT.

RISK DISCLOSURE STATEMENT

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

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

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

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

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

A "SPREAD" POSITION MAY NOT BE LESS RISKY THAN A SIMPLE "LONG" OR "SHORT" POSITION.

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

IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES

TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS, AT PAGES 5-6, A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY INTEREST MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY INTEREST TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGE 8.

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

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

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INTRODUCTION

HB Capital Management, Inc. (HB"), is engaged in the business of offering trading advice to customers with respect to futures contracts, options on futures contracts and other commodity-related contracts traded on United States and international exchanges and markets. (Such contracts are hereinafter referred to collectively as "commodity interests.") HB trades commodity interests primarily on U. S. futures markets.

HB has developed a Managed Account Program pursuant to which it directs the speculative purchase and sale of commodity interests for the accounts of participating customers in accordance with its trading methods and strategies. HB will direct trading on behalf of its customers. See "DESCRIPTION OF HB CAPITAL MANAGEMENT, INC.

Because speculative commodity trading presents the risk of substantial losses, only persons with high income and the ability to absorb such losses should consider participating in the Program. See "DESCRIPTION OF TRADING METHODS AND STRATEGIES" and "ADDITIONAL RISK FACTORS."

HB accepts accounts having at least $100,000 to trade, although it reserves the right to waive this minimum. A qualified customer who desires to participate in the Managed Account Program must first open a commodity trading account with a registered futures commission merchant approved by HB (the "FCM"). Approval of an FCM generally will be based on the financial viability of the FCM and the quality of executions. Participating customers are free to choose an introducing broker ("IB") to introduce their accounts to an FCM.

A participating customer retains ultimate control over his account and may close out the account completely at any time upon notice in accordance with his agreement with the FCM. In such case, the funds, securities, commodities and other property held in the customer's account, after deduction for commissions, premiums, fees and other expenses, will be returned directly to the customer or to such person as the customer directs.

HB will not receive any direct or indirect financial benefit from the maintenance of a participating customer's account with any particular FCM or IB.

In the Customer Agreement and Trading Authorization signed by each participating customer (a copy of which is enclosed with this Disclosure Document), the customer authorizes HB to make trading decisions for the customer's account. In addition, in the Authorization to Pay Fees signed by each participating customer (a copy of which is enclosed with this Disclosure Document), the customer instructs the customer's FCM to transfer to HB from the customer's account the management and incentive fees described under "FEES AND EXPENSES." A participating customer, and not HB, is responsible for paying to the customer's FCM or IB, as appropriate, all margins, option premiums, brokerage commissions, and other transaction costs incurred in connection with transactions effected for the customer's account by HB.

Past performance is disclosed on pages 16-20 of this disclosure document.

DESCRIPTION OF HB CAPITAL MANAGEMENT, INC.

HB Capital Management, Inc. (HB), the Advisor, is incorporated under the laws of the state of Delaware, and its principal, Howard A. Bernstein, first registered with the Commodity Futures Trading Commission under the Commodity Exchange Act as a Commodity Trading Advisor (CTA) on April 12, 1989 and Howard was the listed principal from that date. The firm named was changed to HB Capital Management, Inc. in October, 1993. From October 5, 1993 to May 27, 1997 HB was a Commodity Pool Operator. Howard registered as an Associated Person of HB Capital Management, Inc. on March 31, 1994. From September, 1998 to December, 2001 HB was a Registered Investment Advisor. HB withdrew its registration as a CTA on May 9, 2002 and reinstated its registration as a CTA and Howard's registration as an Associated Person and listing as a principal on February 6, 2008 and is a member in good standing of the National Futures Association. The principal office is located at 38608 Oyster Catcher Drive, Ocean View, DE 19970. The telephone number is (302) 616-1970. The books and records of the corporation are maintained at this address. *The registration of HB with the CFTC and HB's membership in NFA must not be taken as an indication that any such agency or self-regulatory body has recommended or approved HB or the program offered hereby*.

Howard A. Bernstein is the President and Sole Principal of HB. He is solely responsible for all money management, trade execution, and risk management of all transactions executed on behalf of HB. Mr. Bernstein holds a Bachelor of Arts degree from Rutgers University and a Masters degree in Geology from the University of North Carolina, Chapel Hill. From June, 1977 to June, 1979 he worked as a geophysicist for the U. S. Geological Survey, a Federal government agency. From June, 1979 to August, 1993 he was employed as a geologist for the Federal Energy Regulatory Commission, a Federal government agency. Mr. Bernstein first registered as a Commodity Trading Advisor on April 12, 1989. The firm named was changed from Howard A. Bernstein, sole proprietor, to HB Capital Management, Inc. in October, 1993 and Mr. Bernstein became President. Mr. Bernstein remained President through May 9, 2002 when he became a private trader and consultant.

From September, 2002 to July, 2004 Mr. Bernstein was an investment advisor representative for AFC Asset Management Services, a Registered Investment Advisor, in Gaithersburg, MD. He was head trader at Financial Investments, Inc., a registered Investment Advisor, in Herndon, VA, beginning in July, 2004. He was registered as an NFA Associated Person on November 10, 2004 until January 4, 2007 with the firm and traded for both the Financial Investments Limited Partnership and Financial Commodities Investments' (FCI) client commodity accounts. Mr. Bernstein was a private trader and consultant from January, 2007 through February, 2008.

Mr. Bernstein first achieved recognition by finishing in the top ten of the US Investing Championship, Futures Division in 1990, 1991 and 1992, highlighted by a 2nd place finish in 1991. Other performance awards include: Managed Derivatives Magazine, high performance award, 1994; Stark Research Report ranked #3 for previous 4 years, 1994; CTA Research Corporation ranked #2 for risk-adjusted return, 1995; Managed Account Reports, Quarterly Performance Reports, ranked #6 for performance and #8 for risk-adjusted return over previous 5 years, 1996; Moniresearch newsletter ranked #1 for performance over previous 3 years, March 2001; Autumn Gold newsletter #1 ranking for 1 year performance to FCI for Commodity Trading Advisors, August, 2006. BarclayHedge report #1 ranking for Option Strategies, August, 2009.

Mr. Bernstein has appeared in publications such as Barron's, Investor's Business Daily, Wall Street Transcripts, Financial Planning Magazine, Futures Magazine, America's Best Timers, Managed Account Reports, Society of Market Technicians Newsletter, Formula Research Newsletter and Technical Traders Bulletin. He has also been a featured speaker at professional investment seminars and on business radio. He has actively traded commodities in his own account since 1985.

Litigation

There has been no material administrative, civil or criminal action, pending, concluded or on appeal, against HB, Mr. Bernstein or their affiliates within the preceding five years, or ever.

PROPRIETARY TRADING BY HB AND MR. BERNSTEIN

HB and Mr. Bernstein may trade commodity interests and securities for their own accounts. HB normally trades its customer accounts in parallel, making equivalent trades for all accounts and apportioning the number of each contract traded ratably among the accounts based on the equity in each account.

In their proprietary trading, HB and Mr. Bernstein generally will follow the same basic trading methods and strategies developed, modified and refined by Mr. Bernstein. See "DESCRIPTION OF TRADING METHODS AND STRATEGIES." HB and Mr. Bernstein may elect not to trade their proprietary accounts in parallel with customer accounts. In trading for proprietary accounts and in contrast to trading for customers, HB and Mr. Bernstein may trade a larger number of commodity interests, utilize a higher degree of leverage, pay lower commission rates, and test new markets. In addition, HB and Mr. Bernstein may conduct experimental trading in proprietary accounts to test new systems or variations of their basic trading methods and strategies. HB and Mr. Bernstein also may trade contracts for proprietary accounts, but not for customer accounts of HB. However, HB and Mr. Bernstein will not take positions in their proprietary accounts that are ahead of or opposite to those taken by HB on behalf of customer accounts, although HB's and Mr. Bernstein's proprietary accounts may produce trading results that are different from those experienced by participating customers. Participating customers will not be permitted to inspect the proprietary trading records of HB and Mr. Bernstein due to the confidential nature of such records.

DESCRIPTION OF TRADING METHODS AND STRATEGIES

The **Diversified program** utilizes the principal's 25+ years experience trading in the futures markets in order to develop a multi-strategy and multi-market approach to trading both commodity futures and options on futures trading.

<u>Commodity option selling</u> - The program uses a number of different options and futures strategies. The option strategies include a variety of different spreads such as verticals, calendars, ratios, strangles, and straddles amongst others. The program will also outright sell or buy an option in certain situations. In addition, the program may purchase or sell futures to offset an open option position. The program trades options and futures contracts in the crude oil, coffee, soybean, gold, natural gas and corn markets, among others. The implementation of this trading program depends on both technical and fundamental considerations. Technical analysis involves the study of charted prices, volume and momentum to determine the future course of prices. Other analysis may also be performed on the prices

of various options, both in absolute terms in relation to their historic price level, and in relative terms comparing the prices of puts to the prices of similar calls. Implied and historical volatility of both the option and its underlying commodity are also studied. Fundamental considerations, utilized on a commodity by commodity basis, include supply and demand, seasonal movements as well as business and economic factors, governmental policies, weather, and other worldwide events, which can influence the commodity markets.

Seasonal and spread trading - HB seeks to profit from seasonal patterns inherent in various commodity markets. The trades taken may be outright long (buy) and short (sell) positions or spread trades between two similar commodities. Seasonal trading may also employ the use of buying and/or selling options.

Stock Market timing – HB has developed proprietary methodologies for trading the stock market. HB may take a long position when a buy signal is generated for the stock market and may take a short position when a sell signal is generated.

Trend following - One technical system developed by HB is designed to identify trending markets. When such trends are identified, positions may be taken in the markets based on computer generated signals.

In order to attempt to achieve the goal of steady profits with minimal loss of equity (drawdown), these systems are blended together in a portfolio. In this regard, HB may trade in 10-15 commodities. Of course, no assurances can be made that any trading strategies will produce profitable results.

HB believes that the development of a commodity future trading strategy is a continual process. As a result of further analysis and research into the performance of HB's methods, changes have been made from time to time in the specific manner in which these trading methods evaluate price movements in various commodities, and it is likely that similar revisions will be made in the future.

Money Management Techniques

HB employs money management strategies in an effort to maximize profits while minimizing drawdown. These techniques include:

(1) Diversification - A number of non-correlated markets are traded; e.g. metals, currencies, foods, grains, interest rates, stocks. Thus, some markets may be trending while others are not. This strategy is modern portfolio theory applied to the futures markets. The net result of this strategy is to smooth out the ups and downs in an account's equity curve.

(2) The amount of an account's net assets committed to margin and option premiums will vary as a result of market volatility, among other reasons. On average, 10% to 25% of net assets of an account will be committed to futures margin and option premiums, although, due to market conditions, the amount committed may be substantially higher at various times.

(3) Optimal fixed fractional trading - This technique applies to the reinvestment of trading

profits to obtain the fastest geometric growth in the portfolio. Through evaluation of past performance for a particular system, the optimal fixed fraction for each market is determined. This fixed fraction of the total investment stake is then reinvested on each trade.

Description of Orders and Order Placement

In trading both HB Capital Management's client accounts and the proprietary account of Howard A. Bernstein, the principal of HB Capital Management, HB Capital Management normally places block orders, in which trades for all accounts are placed for execution in a group or bunch, and then are allocated to individual accounts either when the order has been placed or when the order has been completed. The carrying FCM handling these block orders allocate split fills in a systematic and non-preferential manner. The FCM uses the average price system so that each client receives the same price. In the event APS is not available, the Advisor's procedure for allocating block orders resulting in split fills will be accomplished pursuant to a high-low method. This method apportions the higher fill prices to the higher account numbered clients for both buys and sells, and the lower fill prices to the lower account numbered clients for both buys and sells. This method is one of the industry standards and results in a fair and equitable method of order allocation. Thus, the account of Howard A. Bernstein may at times receive better or worse fills than the clients, depending on the allocation procedure of the FCM.

HB Capital Management Inc. will also analyze the trading program at least once a quarter to ensure that the allocation method has been fair and equitable (i.e., customers in the same trading program achieve similar performance results over time). HB Capital will document its internal audit procedures and results and maintain these audit procedures and results as firm records subject to review during a National Futures Association audit.

FEES AND EXPENSES

HB charges a quarterly incentive fee equal to 20% of Trading Profits (as hereinbelow defined) and a monthly management fee, without regard to profitability, equal to 1/12 of 1% (approximately one percent (1%) per annum) of the account's nominal account size (as defined below). Incentive fees are payable to HB inclusive of interest income in a participating customer's account. The formulae for calculating the foregoing fees and other terms and conditions relating to such fees are described in detail below.

Fee Arrangements

Management and incentive fees begin to accrue commencing the first day of the trading period. During the trading period, management fees are calculated as of the end of each month and incentive fees are calculated as of the end of each calendar quarter. During the trading period, a participating customer may pay an initial incentive fee calculated for a period which is less than three months.

Incentive Fee**.** The incentive fee, calculated and billed quarterly, is equal to 20% of the increase, if any, in the "nominal account size" (defined in paragraph (i) of "Miscellaneous" below) of the customer's account as of the end of each calendar quarter above the previous High Water Mark (defined in paragraph (iv) of "Miscellaneous" below) (adjusting nominal account size for the purpose of calculating such fee by (a) adding back (i) the incentive fees accrued or payable, (ii) any withdrawals of funds from the account since the previous incentive fee was paid, if any and (iii) any reduction in the nominal account size of funds withdrawn from the Account since the beginning of the quarter that immediately follows the last quarter-end at which an incentive fee was earned, and (b) deducting any additional funds deposited in the account since the last quarter-end at which an incentive fee was earned or, if no incentive fee has been earned previously, since the beginning of the trading period) over the greater of (x) the initial nominal account size of the account as of the beginning of the trading period, or (y) the nominal account size of the account as of the beginning of the calendar quarter that immediately follows the last quarter-end at which an incentive fee was earned. If a participating customer withdraws from the Managed Account Program and then at a later date begins to participate again, the customer will be treated as a new participant for the purpose of calculating the highest nominal account size achieved in the customer's account as of the beginning of any previous quarter.

Management Fee. The management fee, calculated and billed monthly, without regard to whether the customer's account is profitable, is equal to 1/12 of 1% of the "nominal account size" (defined in paragraph (i) of "Miscellaneous" below) of the customer's account as of the end of each month (adjusting nominal account size for the purpose of calculating such fee by adding back the management and incentive fees accrued or payable and any withdrawals of funds from the account since the last month-end at which management fees were accrued or paid).

Because HB permits accounts participating in the Managed Account Program to be funded at a level lower than that at which they are traded, and because participating customers may elect to fund the account with amounts sufficient only to satisfy margin requirements, management fees as a percentage of actual monies in the account may exceed 100%. For example, if an account is funded at $100,000 with a nominal account size of $200,000, management fees of 1% per annum on $200,000 will be 2% per annum on the actual $100,000 deposited in the account. Participating customers will be apprised of the precise percentage of management fees as a function of anticipated actual funds in the account at the time the account is opened.

Brokerage Arrangements

The FCM will charge the customer commissions on commodity interest transactions. Commission charges will be reflected on confirmations/purchase and sales statements sent to the customer. In addition, the account will be charged NFA fees and applicable exchange fees on trades executed for the customer's account. A participating customer is directly responsible for the payment to the FCM of all margins, brokerage commissions and fees, option premiums and other transaction costs incurred in connection with transactions effected for the customer's account pursuant to instructions provided by HB.

In order to ease the process of execution, the Advisor may use a “give-up” arrangement in which some or all trades are executed through an FCM of the Advisor’s choice and then cleared by another FCM. This arrangement may result in the client paying a higher commission. The client generally will be provided with a statement from the clearing broker disclosing the amount of brokerage commissions charged to the account. This amount will usually range between $1-$3 per round turn.

Self-Directed IRA Accounts

Clients may choose to open self-directed individual retirement accounts in the Advisor's Managed Program. However, your chosen FCM must have a relationship with a trust company that will serve as custodian over your retirement assets. Please contact your individual FCM for more detailed information on opening your retirement account.

For self-directed individual retirement accounts, the portion initially committed to margin generally will not exceed 50% of the beginning equity of the account for any given period. Further, the Advisor will cease trading for the account if the account experiences a drawdown in excess of 50% of the original equity. The Advisor can not guarantee that any drawdown can be limited to 50% due to the volatile nature of the markets.

Miscellaneous

(i) The term "nominal account size" of a participating customer's account means the net assets in and designated to the account (that is, total assets less total liabilities, including interest income and unrealized profits and losses on open commodity interest positions and including the difference between actual funds deposited in the account and the level at which the participating customer designates the account to be traded).

(ii) If a participating customer withdraws from the Managed Account Program, the customer is billed for management fees and/or incentive fees accrued to the date of termination and the customer's obligation to pay future fees terminates. A participating customer is not entitled to a refund of any management fees and/or incentive fees paid or accrued to the date of such customer's withdrawal from the Managed Account Program.

(iii) Following the end of each month and quarter, a participating customer's account is automatically debited for the amount of management fees and/or incentive fees that are due and owing to HB and, concurrently therewith, HB sends to the customer a bill for such fees. In the Authorization to Pay Fees (copy enclosed), a participating customer authorizes its FCM to transfer to HB management fees and/or incentive fees from the customer's account upon receipt of a bill for such fees from HB. A bill is deemed sent to a participating customer upon HB's faxing and/or emailing such bill to the customer and receiving an electronic confirmation thereof and is deemed delivered to the customer personally whether actually received or not. If the customer does not have a fax or email, bills will be sent by regular mail. A bill is deemed correct and is conclusive and binding on a participating customer unless a written or verbal objection from the customer is received by HB within 10 business days after such bill is faxed/emailed or mailed by HB.

(iv) High Water Mark is defined as the highest quarterly "nominal account size" after making the adjustments noted in paragraph "Incentive fee" above.

CONFLICTS OF INTEREST

HB may actively solicit and manage other customer accounts. The records of any such trading will not be available for inspection by any participating customer. The trading methods and strategies that HB utilizes in managing the account of a participating customer is and will be utilized by HB in managing the trading for other customer accounts as well as trading proprietary accounts. When HB places the same or similar orders at or about the same time for the accounts of customers, all such accounts may be competing for the same or similar positions and, depending upon whose order is placed first, the difference in timing may result in some accounts receiving better prices than other accounts. See "DESCRIPTION OF TRADING METHODS AND STRATEGIES--DESCRIPTION OF ORDERS AND ORDER PLACEMENT." In addition, HB may have a conflict of interest in rendering advice to a customer because the financial benefit from managing some other customer's account may be greater, which may provide an incentive to favor such other account. See "FEES AND EXPENSES" and "RISK FACTORS--A PARTICIPATING CUSTOMER WILL INCUR SUBSTANTIAL FEES AND EXPENSES REGARDLESS OF WHETHER ANY PROFITS ARE REALIZED."

All of the commodity interest positions held by all accounts directed by HB and its principal, directly and indirectly, will be aggregated for purposes of determining compliance with speculative position limits. As a result, HB might not be able to enter into or maintain certain positions, because such positions, when added to the positions held by such other accounts, would exceed applicable speculative position limits. If open positions must be reduced as a result of the application of speculative position limits, HB will take such action as it may deem advisable to comply with such limits.

The trading methods and strategies utilized in managing the accounts of participating customers may be utilized by HB in trading for itself and Mr. Bernstein. In rendering trading advice to a participating customer, HB will not knowingly or deliberately favor any proprietary account over the account of the customer. However, no assurance is given that the performance of all accounts controlled and managed by HB will be identical or even similar. See "PROPRIETARY TRADING BY HB AND MR. BERNSTEIN."

The incentive fee arrangement entered into between HB and its clients might create an incentive for HB to make investments that are risky or speculative as HB would be partaking in the net performance of the clients' account(s). HB believes that the terms of the Customer Agreement to be entered into between the client and HB are fair and reasonable.

HB may pay persons or firms who introduce accounts to it a portion of the fees it receives from such accounts. As a result, persons or firms who introduce your account to HB may have an incentive to do so based upon the payments they will receive from HB.

PRINCIPAL RISK FACTORS

In addition to the risks inherent in trading commodity interests pursuant to instructions provided by HB (see "DESCRIPTION OF TRADING METHODS AND STRATEGIES"), there exist additional risk factors, including those described below, in connection with a customer participating in the Managed Account Program. Prospective customers should consider all of the risk factors described below and elsewhere in this Disclosure Document before participating in the Program.

An investment in HB's investment program is speculative and involves a high degree of risk. Because your liability in trading futures in an individually managed account (rather than through a limited-liability vehicle such as a fund) is not limited, you must be able to bear the loss of more than your entire investment. Investing in the HB investment program is, moreover, designed only for sophisticated investors with speculative capital.

Commodity Trading Is Speculative And Volatile. Commodity interest prices are highly volatile. Price movements for commodity interests are influenced by, among other things: changing supply and demand relationships; weather; agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments; United States and foreign political and economic events and policies; changes in national and international interest rates and rates of inflation; currency devaluations and revaluations; and emotions of the marketplace. None of these factors can be controlled by HB and no assurance can be given that HB's advice will result in profitable trades for a participating customer or that a customer will not incur substantial losses.

Commodity Trading Is Highly Leveraged. The low margin deposits normally required in commodity interest trading (typically between 2% and 15% of the value of the contract purchased or sold) permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses to the investor. For example, if at the time of purchase 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for brokerage commissions. A decrease of more than 10% would result in a loss of more than the total margin deposit. Thus, like other leveraged investments, any trade may result in losses in excess of the amount invested.

When the market value of a particular open position changes to a point where the margin on deposit in a participating customer's account does not satisfy the applicable maintenance margin requirement imposed by the FCM, the customer, and not HB, will receive a margin call from the FCM. If the customer does not satisfy the margin call within a reasonable time (which may be as brief as a few hours), the FCM will close out the customer's position.

Commodity Trading May Be Illiquid. Most United States commodity exchanges limit fluctuations in certain commodity interest prices during a single day by means of "daily price fluctuation limits" or "daily limits." The daily limit, which is set by most exchanges for all but a portion of the expiration month, imposes a floor and a ceiling on the prices at which a trade may be executed, as measured from the last trading day's close. While these limits were put in place to lessen margin exposure, they may have certain negative consequences for a customer's trading. For example, once the price of a particular contract has increased or decreased by an amount equal to the daily limit, thereby producing a "limit up" or "limit down" market, positions in the contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Contract prices in various commodities have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent HB from promptly liquidating unfavorable positions and subject a participating customer to substantial losses which could exceed the margin initially committed to such trades. Further, not only may daily limits reduce or effectively eliminate the liquidity of a particular market, but they also do not limit ultimate losses, as such limits apply only on a day-to-day basis.

As part of its emergency powers, an exchange or the CFTC can suspend or limit trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. In trading a participating customer's account, it also is possible that governments may intervene to stabilize or fix exchange rates, restricting or substantially eliminating trading in the affected currencies. General economic stabilization programs may also lead to widespread limitations on the permissible fluctuations of commodity prices. Similarly, trading in options on a particular futures contract may become restricted if trading in the underlying futures contract has become restricted.

Trading on Foreign Commodity Exchanges Involves Certain Risks. HB may trade commodity interests on exchanges located outside the United States for the account of a participating customer. Such trading does not fall within the jurisdiction of the CFTC and will take place without benefit of the detailed financial, trade practice and customer protection regulations that apply to the activities of domestic exchanges and their members. The absence of a strong clearinghouse to stand behind the trades and to make good when one of the parties refused or was unable to fulfill the terms of the contract has resulted in significant losses for users of certain markets.

Furthermore, because a participating customer's account is denominated in United States dollars, its trading will be subject to the risk of fluctuation in the exchange rate between the local currency and dollars and to the possibility of exchange controls. Unless HB hedges a participating customer's account against fluctuations in exchange rates between the United States dollar and the currencies in which trading is done on foreign exchanges, any profits which a participating customer might realize in such trading could be eliminated as a result of adverse changes in exchange rates and a participating customer could even incur losses as a result of any such changes.

Trading of Commodity Options Involves Certain Risks. Options on certain futures contracts are traded on and of United States and non-United States exchanges. Each such option is a right, purchased for a certain price, to either buy or sell the underlying futures contract during a certain period of time for a fixed price. HB will engage in the trading of options for the account of a participating customer.

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

Selling (or writing) options creates the following additional risks. The seller of a call option who does not have a long position in the underlying futures contract is subject to risk of loss should the price of the futures contract or commodity be higher than the striking price upon exercise or expiration of the option by an amount greater than the premium received for selling the option. The seller of a call option who has a long position in the underlying futures contract is subject to the full risk of a decline in price of the futures contract or commodity reduced by the premium received for granting the option. In exchange for the premium received for granting a call option, the option grantor gives up all of the potential gain resulting from an increase in the price of the underlying futures contract or commodity above the option striking price upon exercise or expiration of the option.

The seller of a put option who does not have a short position in the underlying futures contract is subject to risk of loss should the price of the futures contract or commodity decrease below the striking price upon exercise or expiration of the option by an amount in excess of the premium received for selling the option. The seller of a put option on a futures contract who has a short position in the underlying futures contract is subject to the full risk of a rise in the price of the futures contract reduced by the premium received for selling the option. In exchange for the premium received for selling a put option on a futures contract, the option seller gives up all of the potential gain resulting from a decrease in the price of the futures contract below the option striking price upon exercise or expiration of the option.

By selling an option, you may sustain a total loss of the initial margin funds and any additional funds you deposit with your broker to establish or maintain your position. If the market moves against your position, you may be called upon by your broker to deposit additional margin funds, on short notice, in order to maintain your position. By selling an option, the writer is limited in the return to the amount of the premium received less all commissions and fees charged. The seller of the option is, however, at unlimited risk with respect to the call option and risk on the put option of the amount should the price of the futures contract drop to zero.

HB will engage in spread trading in commodities and/or commodity options. Spread trades will not necessarily reduce the risk associated with trading. Spread trades are no less risky than outright long or short positions. Spread trading may increase costs, ie. fees and commissions.

The FCM May Fail. Under CFTC regulations, FCMs are required to maintain customers' assets in a segregated account. If FCM fails to do so, the customer may be subject to a risk of loss of its funds on deposit with the FCM in the event of its bankruptcy. In addition, under certain circumstances, such as the inability of another customer of the FCM or the FCM itself to satisfy substantial deficiencies in such other customer's account, a participating customer may be subject to a risk of loss of its funds on deposit with the FCM, even if such funds are properly segregated. In the case of any such bankruptcy or customer loss, a participating customer might recover, even in respect of property specifically traceable to the customer, only a pro rata share of all property available for distribution to all of the FCM's customers, or no amount of money at all.

Electronic Trading and Order Routing System. Trading through an electronic trading or order routing system exposes the Advisor and its clients to risks associated with systems or component failure. In the event of system or component failure, it is possible that, for a certain time period, the Advisor may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. System or component failure may also result in loss of order or order priority.

Exchanges offering an electronic trading or order routing system have adopted rules to limit their liability, the liability of FCMs, and software and communication system vendors and the amount of damages collectible for system failure and delays.

Possible Adverse Effects of Increasing the Assets Managed by HB. CTAs are limited in the amount of assets which they can successfully manage by both the difficulty of executing substantially larger trades in order to reflect larger equity under management and the restrictive effects of speculative position limits and possible market illiquidity. The rates of return recognized on the trading of a limited amount of assets may have little relationship to those an advisor can reasonably expect to achieve trading larger amounts of funds. HB and Mr. Bernstein have not agreed to limit the amount of additional equity which they may manage. There can be no assurance that HB's strategies will not be adversely affected by the additional customer funds.

Existence of Speculative Position Limits May Prevent HB From Applying Its Trading Approach To The Fullest. The CFTC and the United States exchanges have established limits referred to as "speculative position limits" or "position limits" on the maximum net long or net short speculative position which any person or group of persons may hold or control in particular commodity interest contracts. In addition, the CFTC requires United States exchanges to set position limits on all of their contracts that do not have CFTC-set limits. All accounts managed and controlled by HB and Mr. Bernstein are combined (that is, aggregated) for position limit purposes. HB believes that established position limits will not adversely affect its contemplated trading for participating customers. However, it is possible that from time to time the trading decisions of HB may have to be modified and positions held or controlled by HB and Mr. Bernstein may have to be liquidated in order to avoid exceeding applicable position limits. Such modification or liquidation, if required, could adversely affect the performance of the accounts of participating customers. If the application of position limits were to affect HB's trading decisions, it will attempt to modify its recommendations in such a manner so as not to affect disproportionately the performance of any one customer account compared with that of any other account managed or controlled by HB and Mr. Bernstein.

A Participating Customer Will Pay Substantial Fees and Expenses Regardless of Whether Any Profits Are Realized. A participating customer is subject to substantial brokerage commissions and other transaction costs and substantial management fees and incentive fees. Accordingly, a participating customer's account will have to earn substantial trading profits to avoid depletion of the customer's funds due to such commissions, costs, and fees.

A participating customer, and not HB, is directly responsible for paying to the Broker or, as appropriate, all margins, option premiums, brokerage commissions and fees, and other transaction costs and expenses incurred in connection with transactions effected for the customer's account by HB. Brokerage commissions and other transaction costs may be substantial. HB considers the interests of its customers paramount and manages all accounts to further the interests of customers. Nevertheless, no assurance can be given by HB as to any minimum or maximum number of transactions which will be entered into for a participating customer's account during any period for which the account is managed by HB.

The fees charged by HB for providing management services to a participating customer may include a management fee and incentive fee, and such fees may be higher or lower than the fees paid by other customers of HB. Monthly management fees payable to HB are based on the "nominal account size" (defined under "FEES AND EXPENSES") of a participating customer's account as of the end of each month, without regard to the profitability of the account. Quarterly incentive fees payable to HB are based on the trading profit of a participating customer's account as of the end of each quarter. Any such trading profit in a participating customer's account may never be realized. See "FEES AND EXPENSES."

A participating customer is responsible for bearing any and all expenses, losses, and fees incurred as a result of maintaining and having HB trade the customer's account. In the Customer Agreement (copy enclosed), a participating customer agrees to indemnify and hold harmless HB and its employees, affiliates, and agents in this regard. See "FEES AND EXPENSES."

Deductibility of Management and Incentive Fees May Be Limited. Certain "miscellaneous itemized deductions," including so-called "investment expenses" such as management and incentive fees, are limited in their deductibility to the extent they exceed 2% of the adjusted gross income of an individual, trust, or estate. In addition, certain "itemized deductions" of an individual are reduced should an individual taxpayer's adjusted gross income exceed a certain amount. EACH PARTICIPATING CUSTOMER THEREFORE MAY PAY TAX ON MORE THAN THE NET PROFITS GENERATED BY HB'S MANAGED ACCOUNT PROGRAM.

Each participating customer should satisfy himself as to the income tax and other tax consequences of an investment in the Managed Account Program with specific reference to his own tax situation by obtaining advise from his own tax counsel before participating in the Managed Account Program.

Proprietary trading. HB and Mr. Bernstein may trade commodity interests and securities for their own accounts. HB and Mr. Bernstein may elect not to trade their proprietary accounts in parallel with customer accounts. Therefore, the firm may give preferential treatment to proprietary accounts, and it may trade ahead and against client accounts.

Statutory Regulation. In accordance with the provisions of the Commodity Exchange Act, the regulations of the CFTC thereunder, and the rules of the NFA, HB is registered as a CTA and is a member of the NFA. If the CFTC registration and NFA membership of HB were terminated, suspended, revoked, or not renewed, HB would be unable to trade commodity interests on behalf of participating customers until such registration and membership were reinstated.

Future Regulatory and Market Changes. Regulation of the United States markets has undergone substantial change in recent years, a process that is expected to continue. In addition, it is impossible to predict what, if any, significant new regulations may be promulgated as a result of regulatory action. The effect of regulatory change on the proposed trading activities of HB is impossible to predict, but could be substantial and adverse.

In addition to future regulatory changes, the markets recently have undergone and are expected to continue to undergo rapid and substantial changes. Not only has the number of available commodity interest contracts proliferated substantially, but also trading hours have been expanded and international trading greatly increased. There can be no assurance as to how HB will perform given the changes to, and increased competition in, the marketplace.

Dependence of the Clients on HB. Clients are dependent upon the services of HB. The incapacity of HB's principal, Mr. Bernstein, could have a material and adverse effect on HB's ability to discharge its obligations under the Customer Agreement and Trading Authorization.

Past Results Not Necessarily Indicative of Future Performance. Prospective clients should note that HB (and its principal) have traded commodity futures and options.

HB cautions prospective clients to take seriously the warning required by both the CFTC and NFA: PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS; AN INVESTMENT IN THE PROGRAM OFFERED HEREBY IS SPECULATIVE AND INVOLVES A SUBSTANTIAL RISK OF LOSS.

NOTIONALLY FUNDED ACCOUNTS

IF YOU REQUEST A TRADING ADVISOR TO TRADE YOUR ACCOUNT WITH A DEGREE OF LEVERAGE THAT EXCEEDS THAT RECOMMENDED AS APPROPRIATE BY THE ADVISOR, YOU SHOULD BE AWARE OF THE FOLLOWING:

1) YOU WILL INCUR GREATER RISK BECAUSE YOU MAY EXPERIENCE GREATER LOSSES, AS MEASURED BY A PERCENTAGE OF ASSETS ACTUALLY DEPOSITED IN YOUR ACCOUNT, THAN IN AN ACCOUNT FUNDED AT THE LEVEL RECOMMENDED BY THE ADVISOR.
2) YOUR ACCOUNT WILL EXPERIENCE GREATER VOLATILITY, AS MEASURED BY RATES OF RETURN ACHIEVED IN RELATION TO ASSETS ACTUALLY DEPOSITED IN YOUR ACCOUNT, THAN AN ACCOUNT FUNDED AT THE LEVEL RECOMMENDED BY THE ADVISOR.
3) YOU WILL PAY HIGHER ADVISORY FEES AND BROKERAGE COMMISSIONS, AS MEASURED BY THE PERCENTAGE OF SUCH FEES AND COMMISSIONS IN RELATION TO ASSETS ACTUALLY DEPOSITED IN YOUR ACCOUNT, THAN A CLIENT'S ACCOUNT FUNDED AT THE LEVEL RECOMMENDED BY THE ADVISOR.

SPECIAL DISCLOSURE FOR NOTIONALLY FUNDED ACCOUNTS

YOU SHOULD REQUEST YOUR COMMODITY TRADING ADVISOR TO ADVISE YOU OF THE AMOUNT OF CASH OR OTHER ASSETS (ACTUAL FUNDS) WHICH SHOULD BE DEPOSITED TO THE ADVISOR'S TRADING PROGRAM FOR YOUR ACCOUNT TO BE CONSIDERED "FULLY-FUNDED". THIS IS THE AMOUNT UPON WHICH THE COMMODITY TRADING ADVISOR WILL DETERMINE THE NUMBER OF CONTRACTS TRADED IN YOUR ACCOUNT AND SHOULD BE AN AMOUNT SUFFICIENT TO MAKE IT UNLIKELY THAT ANY FURTHER CASH DEPOSITS WOULD BE REQUIRED FROM YOU OVER THE COURSE OF YOUR PARTICIPATION IN THE COMMODITY TRADING ADVISOR'S PROGRAM.

YOU ARE REMINDED THAT THE ACCOUNT SIZE YOU HAVE AGREED TO IN WRITING (THE "NOMINAL" ACCOUNT SIZE) IS NOT THE MAXIMUM POSSIBLE LOSS THAT YOUR ACCOUNT MAY EXPERIENCE.

YOU SHOULD CONSULT THE ACCOUNT STATEMENTS RECEIVED FROM YOUR FUTURES COMMISSION MERCHANT IN ORDER TO DETERMINE THE ACTUAL ACTIVITY IN YOUR ACCOUNT, INCLUDING PROFITS, LOSSES, AND CURRENT CASH BALANCE. TO THE EXTENT THAT THE EQUITY IN YOUR ACCOUNT IS AT ANY TIME LESS THAN THE NOMINAL ACCOUNT SIZE YOU SHOULD BE AWARE OF THE FOLLOWING:

1) ALTHOUGH YOUR GAINS AND LOSSES, FEES AND COMMISSIONS MEASURED IN DOLLARS, WILL BE THE SAME, THEY WILL BE GREATER WHEN EXPRESSED AS A PERCENTAGE OF ACCOUNT EQUITY.

2) YOU MAY RECEIVE MORE FREQUENT AND LARGER MARGIN CALLS.

3) THE DISCLOSURES WHICH ACCOMPANY THE PERFORMANCE TABLE MAY BE USED TO CONVERT THE RATES-OF-RETURN ("RORs") IN THE PERFORMANCE TABLE TO THE CORRESPONDING RORs FOR PARTICULAR PARTIAL FUNDING LEVELS.

4) THE MANAGEMENT FEE PAID TO THE ADVISOR WILL BE CALCULATED BASED PARTLY ON THE NOTIONAL FUNDS IN THE CLIENT'S ACCOUNT. AS A RESULT, THE USE OF NOTIONAL FUNDS WILL INCREASE THE AMOUNT OF MANAGEMENT FEES THAT THE ADVISOR WILL RECEIVE FROM THE CLIENT FOR TRADING THE SAME AMOUNT OF CASH OR ACTUAL FUNDS. FOR EXAMPLE, THE ADVISOR MAY RECEIVE A 1% MANAGEMENT FEE. IF A CLIENT'S ACCOUNT IS FULLY FUNDED, THE ADVISOR WILL RECEIVE A MANAGEMENT FEE OF 1% BASED ON THE ACTUAL FUNDS IN THE ACCOUNT. IF THE ACCOUNT, HOWEVER, IS FUNDED AT ONLY 50% (I.E. ONE HALF ACTUAL FUNDS AND ONE HALF NOTIONAL FUNDS), THE 1% MANAGEMENT FEE, EXPRESSED AS A PERCENTAGE OF ACTUAL FUNDS, WOULD BE 2%.

5. THE MATRIX SHOWS THAT PARTIALLY FUNDING AN ACCOUNT WILL MAGNIFY BOTH GAINS AND LOSSES WHEN COMPARED TO A FULLY FUNDED ACCOUNT. CLIENTS INTENDING TO USE A NOTIONALLY FUNDED ACCOUNT SHOULD NOTE THAT CASH ADDITIONS, CASH WITHDRAWALS AND NET PERFORMANCE WILL AFFECT THE NOMINAL ACCOUNT SIZE. AS FUNDS DECREASE IN PROPORTION TO NOMINAL ACCOUNT SIZE, THE LEVERAGE WILL INCREASE, AS WILL THE PERCENTAGE GAIN OR LOSS. A CLIENT WHO WISHES TO INCREASE OR DECREASE THE NOMINAL ACCOUNT SIZE OF THEIR ACCOUNT SHOULD NOTIFY THE ADVISOR IN WRITING OF THEIR INTENTION.

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

Level of	**Rates of Return**

Funding							
100%	**-30.00%**	**-20.00%**	**-10.00%**	**0.00%**	**10.00%**	**20.00%**	**30.00%**
80%	-37.50%	-25.00%	-12.50%	0.00%	12.50%	25.00%	37.50%
60%	-50.00%	-33.30%	-16.70%	0.00%	16.70%	33.30%	50.00%
40%	-75.00%	-50.00%	-25.00%	0.00%	25.00%	50.00%	75.00%

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

PERFORMANCE HISTORY

Under CFTC regulations, a CTA must disclose the performance record for customer accounts directed by it and each of its principals for the previous five years.

CUSTOMERS PARTICIPATING IN THE MANAGED ACCOUNT PROGRAM ARE CAUTIONED THAT THE RESULTS SET FORTH IN THE FOLLOWING TABLE ARE NOT INDICATIVE OF THE RESULTS WHICH HB MAY ACHIEVE IN THE FUTURE. PAST RESULTS ARE NO GUARANTEE OF FUTURE RESULTS. IN ADDITION, BECAUSE THE STRATEGY HAS BEEN MODIFIED AND WILL CONTINUE TO BE MODIFIED, THE RESULTS SHOWN BELOW DO NOT NECESSARILY REFLECT THE PROGRAM WHICH WILL BE USED ON BEHALF OF A CLIENT. 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 MADE THAT HB WILL OR IS LIKELY TO ACHIEVE FOR THE ACCOUNTS IN ITS MANAGED ACCOUNT PROGRAM PROFITS OR INCUR LOSSES COMPARABLE TO THOSE SHOWN.

PERFORMANCE RESULTS

Name of Commodity Trading Advisor:	HB Capital Management Inc.
Name of Trading Program:	Multi-strategy (Diversified)
Inception of Trading by Commodity Trading Advisor:	March 3, 2008
Inception of Trading in the offered Trading Program:	March 3, 2008

Number of accounts as of 12/5/17:	21
Total nominal assets under management as of 11/30/17:	$5,957,657
Total nominal assets traded pursuant to the Program as of 11/30/17:	$5,957,657
Largest Monthly Drawdown (1):	-9.56% (January, 2016)
Worst Peak-To-Valley Drawdown (2):	-23.71% (Aug 2014 - February, 2016)
Number of profitable accounts that have opened And closed in the last 5 years:	0
Range of Returns experienced by profitable accounts:	N/A
Number of losing accounts that have opened And closed in the last 5 years:	3
Range of returns experienced by unprofitable accounts:	-3.56%--12.54%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Monthly and Annual Rates of Return

	2012	2013	2014	2015	2016	2017
January	2.63%	-0.96%	-2.24%	0.99%	-9.56%	2.42%
February	-0.87%	2.16%	-1.32%	0.90%	-2.18%	1.35%
March	0.88%	-3.09%	4.89%	-1.29%	2.47%	0.63%
April	-2.71%	-4.60%	0.76%	1.05%	2.68%	1.54%
May	0.45%	0.67%	5.25%	-3.01%	3.54%	1.83%
June	-1.12%	-0.98%	5.21%	-5.12%	3.99%	5.19%
July	0.34%	0.75%	3.07%	-5.93%	1.64%	-3.18%
August	2.87%	-2.39%	4.41%	5.00%	-1.13%	4.39%
September	-0.50%	0.88%	-3.91%	3.10%	1.66%	-3.56%
October	4.20%	-1.87%	-6.78%	-5.16%	2.82%	-3.57%
November	-5.05%	7.79%	1.63%	3.82%	-1.79%	-0.50%
December	-4.01%	2.00%	-4.25%	5.49%	-0.81%	
Annual	-3.26%	-0.19%	5.90%	-1.06%	2.55%	6.25%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

In July 2012, 4 accounts representing $416,809 under management, were at PFG and were frozen at that time awaiting resolution of the bankruptcy case. Of the $22,923,217 assets under management, $416,809 were at PFG. The accounts at PFG represent approximately 1.6% of the total assets under management as of July 9, 2012. As a result of the PFG bankruptcy, the 4 accounts were not fully under the control of HB Capital Management Inc. and therefore are excluded from the monthly performance calculation for July 2012.

In November 2011, 45 accounts representing $10,880,762 under management, were at MF Global and were frozen at that time awaiting resolution of the bankruptcy case. Of the $40,131,110 assets under management in November 2011, $10,880,762 were at MF Global. The accounts at MF Global represented approximately 27.1% of the total assets under management as of November, 2011. As a result of the MF Global bankruptcy, the 45 accounts were not fully under the control of HB Capital Management Inc. and therefore are excluded from the monthly performance calculation for November 2011. The returns for the excluded accounts for November 2011 range from -0.14% to -1.27%.

(1) Draw-Down is defined as losses experienced by a composite over a specified period.
(2) Worst Peak-to-Valley Draw-Down is defined as the greatest cumulative percentage decline in month end net asset value due to losses sustained by a trading program during any period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.
(3) Annual represents the compounded rate of return for each year or portion of the year presented. It is computed by applying successively the respective Monthly Rates of Return beginning with the first month of that year. The calculation assumes a continuous investment throughout the period.

PERFORMANCE RESULTS

Name of Commodity Trading Advisor:	HB Capital Management Inc.
Name of Trading Program:	Stock Index Futures
Inception of Trading by Commodity Trading Advisor:	March 3, 2008
Inception of Trading in the offered Trading Program:	March 19, 2014
PROGRAM CEASED TRADING IN March 2015	
Number of accounts as of1 2/5/17:	0
Total nominal assets under management as of 11/30/17:	$5,957,657
Total nominal assets traded pursuant to the Program as of 12/5/17:	$0
Largest Monthly Drawdown (1):	-7.49% (October, 2014)
Worst Peak-To-Valley Drawdown (2):	-8.09% (September 2014 - November, 2014)
Number of profitable accounts that have opened And closed:	2
Range of Returns experienced by profitable accounts:	0.56% - 1.01%
Number of losing accounts that have opened And closed:	1 -3.08%
Range of returns experienced by unprofitable accounts:	N/A

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Monthly and Annual Rates of Return

	2014	2015
January		-2.55%
February		2.33%
March	0.27%	2.30%
April	1.05%	

May	**-0.07%**	
June	**0.62%**	
July	**-0.20%**	
August	**2.13%**	
September	**-0.57%**	
October	**-7.49%**	
November	**-0.08%**	
December	**2.68%**	
Annual	**-2.00%**	**2.01%**

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

(1) Draw-Down is defined as losses experienced by a composite over a specified period**.**
(2) Worst Peak-to-Valley Draw-Down is defined as the greatest cumulative percentage decline in month end net asset value due to losses sustained by a trading program during any period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.

PRIVACY POLICY

Pursuant to the Commodity Futures Trading Commission rules, financial institutions like HB Capital Management Inc. are required to provide privacy notices to their clients. We at HB Capital Management Inc. consider privacy to be fundamental to our relationship with our clients. We are committed to maintaining the confidentiality, integrity and security of our current and former clients' non-public information. Accordingly, we have developed internal polices to protect confidentiality while allowing clients' needs to be met.

We will not disclose any non-public personal information about clients, except to our affiliates and service providers as allowed by applicable law or regulation. In the normal course of serving our clients, information we collect may be shared with companies that perform various services such as our accountants, auditors and attorneys. Specifically, we may disclose these service providers non-public personal information including:
Information HB Capital Management Inc. receives from clients on managed account agreements and related forms (such as name, address, Social Security/Tax identification number, birth date, assets, income and investment experience); and Information about clients' transactions with HB Capital Management Inc. (such as account activity and account balances).

Any party that receives this information will use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use this information for any other purpose. To protect the personal information of individuals, we permit access only by authorized employees who need access to that information to provide services to our clients and us. In order to guard clients' non-public personal information, we maintain physical, electronic and procedural safeguards that comply with the U.S. federal standards. If the relationship between a client and HB Capital Management Inc. ends, HB Capital Management Inc. will continue to treat clients' personal information as described in this notice. An individual client's right to privacy extends to all forms of contact with HB Capital Management Inc., including telephone, written correspondence and electronic media, such as email messages via the Internet.

HB Capital Management Inc. reserves the right to change this privacy notice, and to apply changes to information previously collected, as permitted by law. HB Capital Management Inc. will inform clients of any such changes as required by law.

CONCLUSION

In view of the foregoing disclosures and risks outlined in this document, a prospective client should consider carefully the highly speculative nature and risks of loss inherent in trading futures and options. A participating customer should be financially capable of accepting such risks and engaging in such trading. A participating customer should have significant resources beyond any funds which he deposits in the commodity trading account to be advised by the Advisor and such funds should represent risk capital to the customer.

THIS DOCUMENT IS NOT A CONTRACT AND DOES NOT MODIFY OR LIMIT THE TERMS OF ANY AGREEMENT BETWEEN HB AND ANY CUSTOMER PARTICIPATING IN THE MANAGED ACCOUNT PROGRAM. PARTICIPATING CUSTOMERS SHOULD CAREFULLY REVIEW THE SPECIFIC TERMS OF THE CUSTOMER AGREEMENT AND TRADING AUTHORIZATION AND THE AUTHORIZATION TO PAY FEES ENCLOSED WITH THIS DISCLOSURE DOCUMENT.

HB Capital Management, Inc.
38608 Oyster Catcher Drive
Ocean View, DE 19970
(302) 616-1970

**CUSTOMER ACKNOWLEDGMENT OF
RECEIPT OF DISCLOSURE DOCUMENT**

The undersigned customer(s) ("Customer") hereby acknowledges receipt of a copy of the Disclosure Document dated December 15, 2017 of HB Capital Management, Inc. Customer has read and understands the Disclosure Document and has carefully considered the risks outlined therein.

______________________________	______________________________
First Customer's Signature	
	______________________________
______________________________	______________________________
First Customer's Name and Title (Print or Type)	First Customer's Address - Street, City, State, Zip Code (Print or Type)
______________________________	______________________________
Date	First Customer's Telephone Number
______________________________	______________________________
Second Customer's Signature	
	______________________________
______________________________	______________________________
Second Customer's Name and Title (Print or Type)	Second Customer's Address - Street, City, State, Zip Code (Print or Type)
______________________________	______________________________
Date	Second Customer's Telephone Number

HB Capital Management, Inc.
38608 Oyster Catcher Drive
Ocean View, DE 19970
(302) 616-1970

www.hbcapitalinc.com
Hbernst963@aol.com

CUSTOMER AGREEMENT
AND
TRADING AUTHORIZATION

This Customer Agreement and Trading Authorization ("Agreement") is made and entered into as of the date set forth at the end of this Agreement by and between HB Capital Management, Inc. ("HB"), and the undersigned customer(s) ("Customer");

WHEREAS, Customer hereby acknowledges to HB that Customer has received, read, and understood and carefully considered the risks outlined in the Disclosure Document dated December 15, 2017 of HB, and Customer has signed an acknowledgment to that effect;

WHEREAS, Customer hereby represents to HB that Customer has capital available and desires to invest such capital in speculative investments in "commodity interests," which term shall include, for purposes of this Agreement, contracts on and for currencies, obligations of and guaranteed by the United States Government, and any other financial instruments, securities, stock, financial, and items which are now, or may hereafter be, the subject of futures contract trading, futures contracts, options on futures contracts, and other commodity-related contracts, agreements, and transactions, and securities (such as United States Treasury bills) approved by the United States Commodity Futures Trading Commission for investment of customer funds;

WHEREAS, Customer, if an individual, hereby represents to HB that Customer is of full legal age in the jurisdiction in which Customer resides and is legally competent to execute and deliver this Agreement and to purchase, sell, trade, and own commodity interests as contemplated by this Agreement;

WHEREAS, Customer, if a corporation, partnership, trust, or other entity or association, hereby represents to HB that Customer has full power and authority to execute and deliver this Agreement and to purchase, sell, and trade, and own commodity interests as contemplated by this Agreement and the individual executing and delivering this Agreement for and on behalf of Customer is of full legal age in the jurisdiction in which such individual resides and is legally competent and has full power and authority to do so on behalf of Customer and its stockholders, partners, or beneficiaries;

WHEREAS, Customer hereby represents to HB that, if a corporation, Customer is duly organized under the laws of __________________, with full power and authority to enter into and perform its obligations under this Agreement and to conduct its business, and the performance by Customer of its obligations under this Agreement will not violate the terms or provisions of, or constitute a default under, the organizational and operational documents of Customer or any other agreement to which Customer is a party or by which it is bound;

WHEREAS, Customer hereby represents to HB that, if necessary under the laws of the United States, Customer is registered as commodity pool operator with the Commodity Futures Trading Commission ("CFTC"), and/or is registered with the Securities and Exchange Commission ("SEC"), and is a member of the National Futures Association ("NFA"), and such registrations and membership, if applicable, have not expired or been revoked, suspended, terminated, or not renewed, or limited or qualified in any respect;

WHEREAS, Customer hereby represents to HB that Customer has complied and will continue to comply with all laws, rules, and regulations having application to its business, properties, and assets (including, if appropriate, the Commodity Exchange Act, as amended, the Securities Act of 1933, as amended, the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, CFTC regulations, NFA rules, United States and non-United States securities laws, and state securities laws), and there are no actions, suits, proceedings, or investigations pending or, to the knowledge of the undersigned, threatened against Customer or any of its principals or affiliates, at law or in equity or before any governmental department, commission, board, bureau, agency, or instrumentality, or any self-regulatory organization, or any securities or commodity exchange, in which an adverse decision could materially and adversely affect Customer's ability to conduct its business or to comply with, and perform its obligations under, this Agreement;

WHEREAS, Customer hereby represents to HB that Customer is fully familiar with the speculative nature of commodity interest trading and its high degree of risk suitable only for a person who can sustain substantial losses which may be far in excess of such person's funds on deposit in such person's commodity trading account;

WHEREAS, Customer hereby represents to HB that Customer is willing and able, financially and otherwise, to assume the risks of commodity interest trading and has the financial ability to bear losses in excess of the amount deposited pursuant to Section 1 of this Agreement; and

WHEREAS, Customer desires to retain HB as Customer's commodity trading advisor upon the terms and conditions set forth in this Agreement, and HB desires to service Customer in such capacity upon such terms and conditions;

NOW, THEREFORE, in consideration of the premises set forth above, the parties hereto do hereby agree as follows:

1. Customer has deposited the sum set forth at the end of this Agreement in a commodity trading account ("Account") established and maintained with the futures commission merchant named at the end of this Agreement ("FCM").

2. Customer hereby constitutes, appoints, and authorizes HB as Customer's true and lawful agent and attorney-in-fact, in Customer's name, place, and stead, to purchase, sell (including short sales), trade, and otherwise acquire, hold, dispose of, and deal in commodity interests, on margin or otherwise, on United States and foreign exchanges, in the interbank market, and otherwise and to make and take delivery of commodities in fulfillment of any commodity interests, all for Customer's Account and risk. Customer hereby gives and grants to HB full power and authority to act for Customer and on Customer's behalf to do every act and thing whatsoever requisite, necessary, or appropriate to be done in connection with this power of attorney as fully and in the same manner and with the same force and effect as Customer might or could do if personally present, and Customer hereby ratifies all that HB may lawfully do or cause to be done by virtue of this power of attorney. Customer hereby ratifies and confirms any and all transactions heretofore made by HB for the Account and agrees that the rights and obligations of Customer in respect thereof shall be governed by the terms of this Agreement.

3. HB's services to Customer shall not be deemed to be exclusive to Customer, and HB shall be free to render similar services to others.

4. Any and all transactions effected by HB for the Account shall be subject to the constitution, by-laws, rules, regulations, orders, and customs and usages of the exchange or market where executed (and of its clearinghouse, if any), and to the provisions of the United States Commodity Exchange Act, as amended, and to the rules, regulations, and orders promulgated from time to time thereunder, and to all applicable laws, rules, and regulations of the United States, the various states in the United States, and foreign jurisdictions. HB shall not be liable to Customer as a result of any action taken by HB which is necessary to comply with any such constitution, by-law, rule, regulation, order, custom, usage, act, or statute.

5. Customer, and not HB, shall pay all margins, option premiums, brokerage and floor commissions and fees, and other transaction costs and expenses charged and incurred by the FCM and its agents in connection with the Account.

6. All transactions effected for the Account by HB shall be for Customer's Account and risk. HB has made and makes no guarantee whatsoever as to the success or profitability of HB's trading methods and strategies, and Customer acknowledges that Customer has received no such guarantee from HB or any of its principals, employees, affiliates, or agents and has not entered into this Agreement in consideration of or in reliance upon any such guarantee or similar representation from HB or any of its employees, affiliates, or agents.

7. Neither HB nor its employees, affiliates, or agents shall be liable to Customer or to any other party, except that HB shall be liable to Customer for acts by its or its employees, affiliates, or agents which constitute gross negligence, willful malfeasance, or fraud. Customer shall indemnify, hold harmless, and defend HB and its employees, affiliates, and agents from and against any liability, loss, cost, and expense, including attorneys' fees, that any of them may become subject to in acting as contemplated under this Agreement, or in connection with any transaction for the Account, or in connection with Customer's failure to pay any management fees and/or incentive fees to HB, or in connection with investigating or defending any such liability, loss, cost, or expense covered by this indemnity.

8. (A) As compensation for HB's services to be rendered pursuant to this Agreement, and

for so long as this Agreement is in force and effect, Customer shall pay to HB fees in accordance with the following fee arrangements:

> Management Fee. The management fee, calculated and billed monthly, without regard to whether the Account is profitable, is equal to 1/12 of 1% of the "nominal account size" (defined in Section 8(B) below) of the Account as of the end of each month (adjusting nominal account size for the purpose of calculating such fee by adding back the management fees and incentive fees accrued or payable and any withdrawals of funds from the Account since the last month-end at which management fees shall have been paid).

Incentive Fee. The incentive fee, calculated and billed quarterly, is equal to 20% of the increase, if any, in the "nominal account size" (defined in Section 8(B) below) of the Account as of the end of each calendar quarter above the previous High Water Mark (defined in paragraph (E) below) (adjusting net asset value for the purpose of calculating such fee by (a) adding back (i)) the incentive fees accrued or payable (ii) any reduction in the nominal account size of funds withdrawn from the Account since the beginning of the calendar quarter that immediately follows the last quarter-end at which an incentive fee was earned, and (iii) any withdrawals of funds from the Account, and (b) deducting any additional funds deposited in the Account since the last calendar quarter-end at which an incentive fee shall have been earned or, if no incentive fee shall have been earned previously, since the beginning of the trading period) over the greater of (i) the initial nominal account size of the Account as of the beginning of the trading period, or (ii) the nominal account size of the Account as of the beginning of the calendar quarter that immediately follows the last quarter-end at which an incentive fee shall have been earned. For purposes of this Section 8(A), the highest net asset value of the Account as of the beginning of any previous quarter shall refer to the nominal account size achieved in the Account governed by this Agreement and shall not refer to any prior or other account(s) that HB shall have managed or currently manages for Customer.

(B) The term "nominal account size" of the Account shall mean the net assets in and committed to the Account ((that is, total assets less total liabilities, including interest income and unrealized profits and losses on open commodity interest positions and including the difference between actual funds deposited in the account and the level at which Customer designates the Account to be traded).

(C) If this Agreement shall be terminated, Customer shall be billed for management fees and/or incentive fees accrued to the date of such termination and Customer's obligation to pay future fees shall terminate. Customer shall not be entitled to a refund of any management fees and/or incentive fees paid or accrued to the date of the termination of this Agreement.

(D) Following the end of each calendar quarter, the Account shall automatically be debited for, and HB shall be paid, the amount of incentive fees that are due and owing to HB. Concurrently therewith, HB shall send to Customer a bill for such fees. A bill shall be deemed sent to Customer upon HB's emailing such bill to the email address of Customer and receiving an electronic confirmation thereof and shall be deemed delivered to Customer personally whether actually received or not. If the customer does not have an email address, bills will be sent by mail. A bill shall be deemed correct and shall be conclusive and binding on Customer unless a written or verbal objection from Customer shall be received by HB within ten business days after such bill shall have been mailed by HB. Customer shall authorize the FCM to transfer to HB management fees and incentive fees from the Account upon receipt of a bill for such fees from HB.

(E) High Water Mark is defined as the highest quarterly “nominal account size” after making the adjustments noted in paragraph “Incentive fee” above.

9. Customer hereby authorizes and directs the FCM to send to HB a copy of the monthly account statements with respect to the Account which are sent to Customer, and the FCM is similarly authorized and directed to provide HB with copies of all confirmations, purchase and sale statements and other documents relating to the Account.

10. This Agreement shall become effective only after it shall have been signed by all parties. This Agreement is a continuing one and shall remain in full force and effect until terminated by written notice of either party to the other party as provided herein. This Agreement may be terminated by Customer, or in the event of Customer's death, incompetency, incapacity, disability, bankruptcy, dissolution, liquidation, insolvency, or termination by Customer's legal representative, by giving written notice of termination or written notice of Customer's death, incompetency, incapacity, disability, bankruptcy, dissolution, liquidation, insolvency, or termination, as the case may be, to HB, which notice shall be deemed effective upon HB's actual receipt of such notice. HB may terminate this Agreement by giving written notice of termination to Customer, which notice shall be deemed effective upon HB's depositing such notice in the United States mail in a first-class, postage pre-paid envelope addressed to Customer. Any such notice of termination given by Customer or HB shall have no effect upon liabilities and commitments initiated, made, or accrued prior to the effective date of such termination.

11. All notices to either party shall be in writing or by email. All notices to HB shall be sent to HB at the address appearing at the beginning of this Agreement. All notices and bills to Customer shall be sent to Customer at the address appearing at the end of this Agreement. Either party from time to time may designate in writing any other address to which notices, bills, and communications to such party may be sent.

12. This Agreement may not be assigned by either party without the prior express written consent of the other party.

13. This Agreement constitutes the entire agreement between the parties with respect to the matters referred to herein, and no other agreement, verbal or otherwise, shall be binding as between the parties unless it is in writing and signed by the party against whom enforcement is sought.

14. No provision of this Agreement may be amended or waived unless such amendment or waiver is in writing and signed by the parties. No amendment or waiver of any provision of this Agreement may be implied from any course of dealing between the parties or from the failure of either party to assert its rights under this Agreement on any occasion or series of occasions.

15. If any provision of this Agreement is, or at any time shall become, inconsistent with any present or future law, rule, regulation, or ruling of any jurisdiction, court, or regulatory body, exchange, or board having jurisdiction, such provision shall be deemed rescinded or modified to conform to such law, rule, regulation, or ruling and the remaining provisions of this Agreement shall not be affected thereby and shall remain in full force and effect.

16. This Agreement shall be deemed to have been made under, and shall be governed by and construed and enforced in accordance with, the law of the State of Delaware, U.S.A. (excluding the law thereof which requires the application of or reference to the law of any other jurisdiction).

17. The parties agree that any action or proceeding arising, directly, indirectly, or otherwise in connection with, out of, related to, or from this Agreement, any breach hereof, or any transaction covered hereby shall be resolved, whether by arbitration or otherwise, within the County of Sussex, State of Delaware, U.S.A. Accordingly, the parties consent and submit to the jurisdiction of the federal and state courts located within the County of Sussex, State of Delaware, U.S.A. The parties further agree that any action or proceeding brought by either party to enforce any right, assert any claim, or obtain any relief whatsoever in connection with this Agreement shall be commenced by such party exclusively in the federal or state courts, or if appropriate, before an arbitral body, located within the County of Sussex, State of Delaware, U.S.A.

18. If more than one person is signing this Agreement as Customer, each undertaking herein shall be a joint and several undertaking of all such persons, and the foregoing grant of power of attorney and authority to HB shall be a joint and several grant by all such persons. Actions of any one Customer pursuant to this Agreement shall bind all such Customers unless indicated below. An Account in joint names creates a joint tenancy with right of survivorship and not tenancy in common.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the ____ day of __________, 20___.

____

HB Capital Management, Inc.
Howard A. Bernstein, President

________________________________ ____________________________________
First Customer's Signature

____

________________________________ ____________________________________
First Customer's Name and Title First Customer's Address--Street, City, State, Zip Code

____
First Customer's Telephone #

________________________________ ____________________________________
Second Customer's Signature, if a joint account

____

________________________________ ____________________________________
Second Customer's Name and Title Second Customer's Address--Street, City, State, Zip Code

____
Second Customer's Telephone #

____
Name of FCM (Print or Type)

$__________________________________
Amount of deposit with FCM*

* The CFTC requires inclusion of the following special disclosure for partially-funded accounts (which account-owners also must complete the attached "Form of Nominal Account Size Letter"):

YOU SHOULD REQUEST YOUR COMMODITY TRADING ADVISOR TO ADVISE YOU OF THE AMOUNT OF CASH OR OTHER ASSETS (ACTUAL FUNDS) WHICH SHOULD BE DEPOSITED TO THE ADVISOR'S TRADING PROGRAM FOR YOUR ACCOUNT TO BE CONSIDERED "FULLY-FUNDED." THIS IS THE AMOUNT UPON WHICH THE COMMODITY TRADING ADVISOR WILL DETERMINE THE NUMBER OF CONTRACTS TRADED IN YOUR

ACCOUNT AND SHOULD BE AN AMOUNT SUFFICIENT TO MAKE IT UNLIKELY THAT ANY FURTHER CASH DEPOSITS WOULD BE REQUIRED FROM YOU OVER THE COURSE OF YOUR PARTICIPATION IN THE COMMODITY TRADING ADVISOR'S PROGRAM.

YOU ARE REMINDED THAT THE ACCOUNT SIZE YOU HAVE AGREED TO IN WRITING (THE "NOMINAL" OR "NOTIONAL" ACCOUNT SIZE) IS NOT THE MAXIMUM POSSIBLE LOSS THAT YOUR ACCOUNT MAY EXPERIENCE. YOU SHOULD CONSULT THE ACCOUNT STATEMENTS RECEIVED FROM YOUR FUTURES COMMISSION MERCHANT IN ORDER TO DETERMINE THE ACTUAL ACTIVITY IN YOUR ACCOUNT, INCLUDING PROFITS, LOSSES AND CURRENT CASH EQUITY BALANCE. TO THE EXTENT THAT THE EQUITY IN YOUR ACCOUNT IS AT ANY TIME LESS THAN THE NOMINAL ACCOUNT SIZE YOU SHOULD BE AWARE OF THE FOLLOWING:

1. ALTHOUGH YOUR GAINS AND LOSSES, FEES AND COMMISSIONS MEASURED IN DOLLARS WILL BE THE SAME, THEY WILL BE GREATER WHEN EXPRESSED AS A PERCENTAGE OF ACCOUNT EQUITY.

2. YOU MAY RECEIVE MORE FREQUENT AND LARGER MARGIN CALLS.

3. THE DISCLOSURES WHICH ACCOMPANY THE PERFORMANCE TABLE MAY BE USED TO CONVERT THE RATES-OF-RETURN ("RORs") IN THE PERFORMANCE TABLE TO THE CORRESPONDING RORs FOR PARTICULAR FUNDING LEVELS.

Client, please initial_____________

HB Capital Management, Inc.
38608 Oyster Catcher Drive
Ocean View, DE 19970
(302) 616-1970

ARBITRATION AGREEMENT

The undersigned customer(s) ("Customer") hereby agrees that any controversy between Customer and HB Capital Management, Inc.. ("HB") or any of its employees, affiliates, or agents, or its or their respective successors or assigns (hereinafter referred to as "affiliated persons") arising directly, indirectly, or otherwise in connection with, out of, related to, or from Customer's accounts with HB, transactions between Customer and HB, or any of its affiliated persons, or the Customer Agreement and Trading Authorization, Authorization to Pay Fees, or any other document or agreement now or hereafter existing that relates to Customer's accounts with HB, or any breach of any of them or any transactions effected pursuant to them shall, except as provided below, be resolved by binding arbitration before a forum chosen in accordance with the following procedure. At such time as Customer notifies HB or any of its affiliated persons that Customer intends to submit a controversy to arbitration or at such time as HB or any of its affiliated persons notifies Customer that HB or any of its affiliated persons intends to submit a controversy to arbitration, Customer shall have the opportunity to choose a forum from a list of two or more qualified forums provided by HB. A "qualified forum" is an organization whose procedures for conducting arbitrations comply with the requirements of United States Commodity Trading Commission ("CFTC") Regulation Section 166.5.

As required by CFTC Regulation Section 166.5, HB or any of its affiliated persons who is a party to any controversy arbitrated pursuant to this Arbitration Agreement shall pay any incremental fees which may be assessed by a qualified forum for provision of a mixed arbitration panel, unless the arbitrator(s) hearing the controversy shall determine that Customer has acted in bad faith in initiating or conducting the Arbitration. A "mixed arbitration panel" is an arbitration panel composed of one or more persons, a majority of whom are not members of a contract market or employed by or otherwise associated with a member of a contract market and are not otherwise associated with a contract market.

Any award rendered in any arbitration conducted pursuant to this Arbitration Agreement shall be final and binding on and enforceable against Customer in accordance with the substantive law of the State of Delaware, U.S.A., and judgment may be entered on any such award by any court having jurisdiction thereof. THREE FORUMS EXIST FOR THE RESOLUTION OF COMMODITY DISPUTES: CIVIL COURT LITIGATION, REPARATIONS AT THE COMMODITY FUTURES TRADING COMMISSION (CFTC), AND ARBITRATION CONDUCTED BY A SELF-REGULATORY OR OTHER PRIVATE ORGANIZATION.

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

VOLUNTARY.

BY SIGNING THIS AGREEMENT, YOU: (1) MAY BE WAIVING YOUR RIGHT TO SUE IN A COURT OF LAW; AND (2) ARE AGREEING TO BE BOUND BY ARBITRATION OF ANY CLAIMS OR COUNTERCLAIMS WHICH YOU OR HB OR ANY ITS AFFILIATED PERSONS MAY SUBMIT TO ARBITRATION UNDER THIS AGREEMENT. YOU ARE NOT, HOWEVER, WAIVING YOUR RIGHT TO ELECT INSTEAD TO PETITION THE CFTC TO INSTITUTE REPARATIONS PROCEEDINGS UNDER SECTION 14 OF THE COMMODITY EXCHANGE ACT WITH RESPECT TO ANY DISPUTE WHICH MAY BE ARBITRATED PURSUANT TO THIS AGREEMENT. IN THE EVENT A DISPUTE ARISES, YOU WILL BE NOTIFIED IF HB OR ANY OF ITS AFFILIATED PERSONS INTENDS TO SUBMIT THE DISPUTE TO ARBITRATION. IF YOU BELIEVE A VIOLATION OF THE COMMODITY EXCHANGE ACT IS INVOLVED AND IF YOU PREFER TO REQUEST A SECTION 14 "REPARATIONS" PROCEEDING BEFORE THE CFTC, YOU WILL HAVE 45 DAYS FROM THE DATE OF SUCH NOTICE IN WHICH TO MAKE THAT ELECTION.

YOU NEED NOT SIGN THIS AGREEMENT TO OPEN AN ACCOUNT WITH HB. SEE 17 CFR 166.5.

______________________________	______________________________
First Customer's Signature	Second Customer's Signature, if a joint account
______________________________	______________________________
First Customer's Name and Title (Print or Type)	Second Customer's Name and Title (Print or Type)
______________________________	______________________________
Date	Date

HB Capital Management, Inc.
38608 Oyster Catcher Drive
Ocean View, DE 19970
(302) 616-1970

AUTHORIZATION TO PAY FEES

The undersigned customer(s) ("Customer") hereby authorizes the futures commission merchant named below ("FCM") to deduct from Customer's commodity trading account with the FCM and remit directly to HB Capital Management, Inc. ("HB"), immediately upon receipt of a bill from HB, such management fees and/or incentive fees as shall become due and owing to HB under the terms and conditions of the Customer Agreement and Trading Authorization between HB and Customer.

Customer acknowledges Customer's ongoing responsibility to review regularly all customer account records and statements from the FCM and from HB since such records will be conclusive and binding on Customer unless a prompt written and/or verbal objection from Customer is received by the FCM or HB, as the case may be.

First Customer's Signature

First Customer's Name and Title

First Customer's Address--
Street, City, State, Zip Code

Date

First Customer's Telephone #

Second Customer's Signature, if a joint account

Second Customer's Name and Title

Second Customer's Address--
Street, City, State, Zip Code

Date

Second Customer's Telephone #

[NOMINAL ACCOUNT SIZE LETTER]

____________________, 20____

Howard A. Bernstein, President
HB Capital Management, Inc.
38608 Oyster Catcher Drive
Ocean View, DE 19970

Re: Customer Agreement and Trading Authorization

Dear Mr. Bernstein:

With respect to that certain Customer Agreement and Trading Authorization executed by me and dated ____________, _____ the "Agreement"), this letter will confirm that, pursuant to the Agreement, I have deposited $_______________ with the FCM ("Actual Funds"), and from and after ________________, _____, I have designated $______________ to be the size of capital committed to your trading discretion pursuant to the Agreement, plus or minus cumulative profits and losses (the "Designated Account Size"). I understand that the level of trading and fees that I will be charged are based on the Designated Account Size, and that margin calls may require me to fund the Account (as that term is defined in the Agreement) beyond the Actual Funds deposited therein.

The Advisor is providing this document to you because you have expressed your desire to us to use committed or notional funds to increase the leverage available to the Advisor in trading your account. You hereby represent to the Advisor that this decision is your own, and was not solicited. It is understood that the purpose of this document is to provide you with supplemental risk disclosure, and thus will not alter any rights or obligations that are contained in the Agreement.

You should be aware that by using committed or notional funds to allow the Advisor to increase your leverage beyond that which the Advisor would recommend if he or she were limited solely to the equity in your account will subject your account to additional risks not disclosed in the Disclosure Document including:

1. Trading your account as though the notional or committed amount were actually in your account will produce profits and losses that are greater than if the Advisor were trading only the actual equity in your account.

2. Trading your account as though the notional or committed amount were actually in your account will tend to result in more active trading, thus resulting in greater commissions charges.

3. You will be subject to higher management fees since the Advisor will charge management fees to your account based upon the notional or committed amount, not your actual account equity.

4. You will be more likely to incur margin calls, and these calls will be larger than if the Advisor traded your account based only upon the actual account equity. You will be required to meet margin requirements as requested by the clearing broker and Advisor, and neither the clearing broker nor the Advisor will be responsible for margin calls or deficit balances in your account which may result from your use of notional or committed funds to increase leverage.

5. The performance of your account may differ materially from the Advisor's previous trading history as presented in this Disclosure Document, as well as from other accounts traded by the Advisor, which do not use notional or committed funds to increase leverage.

I hereby acknowledge that I have read and understand this statement regarding additional risk associated with the use of notional or committed funds to increase leverage. The Advisor may at any time upon written notice terminate its agreement to trade committed or notional funds.

ACKNOWLEDGED AND AGREED TO BY CLIENT:

____
First Customer's Signature

____
Date

____
Second Customer's Signature,
if a joint account

____
First Customer's Name (Print)

____
Second Customers Name (Print)

____
Date

NEW ACCOUNT QUESTIONNAIRE

1. Name ____

   Home Address ______________________________________

   Business Address ____________________________________

   Home Telephone _____________________________________

   Business Telephone ___________________________________

   Email address_______________________________________

2. Customer's Occupation _______________________________

3. Customer's estimated annual income is (check one):

Less than $50,000	____
$50,000-$100,000	____
$100,001-$250,000	____
Over $250,000	____

4. Customer's estimated net worth is (check one):

Less than $250,000	____
$250,000-$500,000	____
$500,001-$750,000	____
$750,001-$1 million	____
$1-$2 million	____
$2-$4 million	____
$4-$6 million	____
Over $6 million	____

5. Customer is ____ years old

6. Has customer ever traded before? Yes ____ No ____

7. Has customer ever had a managed commodity account or owned

an interest in a commodity pool before? Yes ____ No ____

8. If the customer is a corporation, LLC or partnership, do you need to or have you registered with the CFTC as a Commodity Pool Operator?

Yes________ No_______ N/A_________

9. Previous investment experience (check where applicable):

None ____
Stocks ____
Bonds ____
Real Estate ____
Stock Options ____
Futures ____
Other (please describe) ____

____

The customer agrees that the above information is true and correct and understands that HB Capital Management, Inc. will rely on this information.

_____________________________________ _____________________
Signature of Account Owner Date