

**Disclosure Document**

**of**

**Stenger Capital Management, LLC**

A Wyoming Limited Liability Company  
Registered with the Commodity Futures Trading Commission  
As a Commodity Trading Advisor and Commodity Pool Operator

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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.**

**NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS THAT ARE NOT CONTAINED IN THIS DISCLOSURE DOCUMENT.**

**THE INFORMATION AND OPINIONS CONTAINED HEREIN ARE SUBJECT TO CHANGE OR REVISION SUBSEQUENT TO THE DATE OF THIS DISCLOSURE DOCUMENT. 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 SHOWN BELOW. THIS DISCLOSURE IS NOT TO BE DISTRIBUTED UNDER ANY CIRCUMSTANCES AFTER NOVEMBER 28, 2017 AND WILL BE SUPERSEDED AFTER THAT DATE BY A DISCLOSURE DOCUMENT CONTAINING THEN CURRENT INFORMATION ABOUT THE STENGER CAPITAL MANAGEMENT, LLC TRADING PROGRAM(S).**

**The effective date of this Disclosure Document is November 28, 2016**

## **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 "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

PAGE 12, 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.

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

Stenger Capital Management, LLC ("**SCM**," "**CTA**" or "**Advisor**") is currently offering a trading program to qualified investors ("**Client(s)**"). Through its trading program, the CTA engages in a program of trading futures and options on futures on the Chicago Mercantile Exchange. Given that speculative trading in commodity interests presents the risk of substantial losses, only persons with high incomes and the ability to absorb such losses should consider participating in this trading program. This Disclosure Document describes the trading management services offered by the Advisor, its trading programs and the risks associated therewith.

### **The Commodity Trading Advisor (CTA) and Its Principal**

SCM is a Wyoming Limited Liability Company formed under the laws of the State of Wyoming on October 6, 2009. The CTA's primary business is to provide capital appreciation high net worth client accounts by managing their accounts pursuant to the CTA's trading program. The CTA is controlled and owned by Mr. Scott C. Stenger and Mr. Christopher Stenger. Mr. Scott Stenger and Mr. Christopher Stenger control the CTA and are its sole trading principals.

SCM registered as a CTA with the Commodity Futures Trading Commission ("**CFTC**") and became a Member of the National Futures Association ("**NFA**") on October 19, 2009 [NFA ID 0415158]. SCM also became registered as a commodity pool operator ("**CPO**") on July 25, 2013.

The past performance of SCM is presented starting at page 16 of this Disclosure Document.

Mr. Scott Stenger, President and Managing Member, became an Approved Principal of SCM on October 16, 2009 and an Associated Person of SCM on October 19, 2009 [NFA ID 0271522]. Mr. Christopher Stenger, Managing Member, became an Approved Principal of SCM on October 28, 2009 [NFA ID 0068515].

Neither the CTA's registration with the CFTC nor its membership in the NFA should be taken as an indication that any such agency or regulatory body has recommended or approved the CTA. All business records are kept at the Manager's principal place of business. The offices of the CTA are located at 13960 Craig Way, Broomfield, Colorado 80020. The telephone number of the CTA is (303) 353-1410 and the fax number is (888) 658-4010.

### **The Principals' Business Background**

Scott Stenger has been involved in trading the commodity markets for over 20 years and has been a member of the Chicago Mercantile Exchange since July 1996. Mr. Scott Stenger has been registered with the CFTC as a floor broker since July 1996. Mr. Scott Stenger attended Babson College located in Wellesley, Massachusetts graduating with honors in May of 1991 with a Bachelor of Science degree in Finance.

From May 1990 through September 1990, Mr. Scott Stenger started trading commodities while he worked as a summer intern during his college years as a floor clerk for an independent trader on the Chicago Board of Trade where he was responsible for monitoring bond positions. Mr. Stenger continued to further his knowledge and gained experience while trading his personal account side by side with his father, Mr. Christopher Stenger from May 1991 thru June 1994. In June 1994, Mr. Scott Stenger moved to Chicago and began trading at the Chicago Mercantile Exchange. In July 1996, he became registered with the CFTC as a floor broker. At that time, Mr. Stenger began trading on the floor of the Chicago Mercantile Exchange until moving to Colorado in July 2007, where he continues to trade on his own behalf. Mr. Scott Stenger has traded continuously as his sole profession both on and off the floor. In October 2009, Mr. Scott Stenger co-founded Stenger Capital Management, LLC and became a CFTC registered associated person and NFA member. Born in New Jersey in September 1969, Mr. Scott Stenger now lives in Broomfield, Colorado. Mr. Scott Stenger, President and Managing Member, became an Approved Principal of SCM on October 16, 2009 and an Associated Person of SCM on October 19, 2009 [NFA ID 0271522].

Christopher Stenger has been involved in trading commodities for over forty years. Mr. Christopher Stenger attended Dartmouth College located in Hanover, New Hampshire, from September 1962 through June 1966, where he majored in History and Economics. In May 1966, Mr. Christopher Stenger received his Bachelor of Science degree in History. From June 1965 through September 1965, Mr. Christopher Stenger worked for the stock brokerage firm of Goodbody & Co., in New York City where he was an intern conducting stock research and analysis and compiling reports. Goodbody and company was a New York City Stock Brokerage Company which went out of business in 1970. From July 1966 through March 1968, Mr. Christopher Stenger began his trading career, trading pork bellies and other commodities as an independent trader for himself, which he has continued his entire life, successfully providing for his family as his sole source of income. Mr. Christopher Stenger served in the United States Army from March 1968 to June 1971. Mr. Christopher Stenger traded on the floor of the Chicago Mercantile Exchange from July 1971 when he obtained his membership to trade on the floor, until March 1980. Mr. Stenger was also a member of the Board of Trade for four years during the mid 1970's. From March 1980 to May 1986, Mr. Christopher Stenger traded off the floor at his office in Lake Forest, Illinois. In May 1986, Mr. Stenger moved to Lakeville, Connecticut and continued trading and charting from his home office. Mr. Christopher Stenger returned to trading on the floor of the Chicago Mercantile Exchange from February 2001 to September 2003 when he moved back to Chicago. Mr. Christopher Stenger relocated to Crested Butte, Colorado in September 2003 where he continues to trade using his personal charts and computers. Mr. Christopher Stenger co-founded Stenger Capital Management, LLC in October 2009. Previously, Mr. Christopher Stenger was registered with the CFTC as an associated person of Refco, Inc., from October 21st, 1981 until January 9th, 1998. Refco, Inc. was a commodities and futures Broker and is no longer in existence. September 5th, 1990 to December 31st, 1994, Mr. Stenger operated as a sole proprietor and was listed as a Principal with the CFTC. He was also registered as a

floor trader from February 15<sup>th</sup>, 1996 to August 31<sup>st</sup>, 2005. Born in New York in July 1944, Mr. Christopher Stenger now lives in Crested Butte, Colorado. Mr. Christopher Stenger, Managing Member, became an Approved Principal of SCM on October 28, 2009 [NFA ID 0068515].

**Litigation:** There has never been any material administrative, civil, or criminal actions, pending or concluded, against the CTA or any of its principals.

**Additional Information:** Additional information about the CTA and its trading program can be obtained by contacting the CTA at the address or telephone number appearing on the cover page of this document.

## TRADING PROGRAM

### **Diversified Trading Program (Formerly named Managed Futures Program**

**A):** The CTA seeks to achieve capital appreciation predominantly by engaging in a program of trading futures and options on futures specifically in agricultural, livestock, energy, metals, currencies, equities and interest rate instruments listed on U.S. Exchanges such as, CME Group, CBOE (Chicago Board Options Exchange), ICE (Intercontinental Exchange) and NYSE Liffe. However, the CTA reserves the right to trade a broader portfolio of instruments including but not limited to any commodity futures contract or option thereon on any domestic exchange at the CTA's sole discretion. The minimum initial account size is \$200,000, subject to the CTA's discretion.

The CTA relies primarily on technical analyses to execute long and short trades in futures and options on futures listed on U.S. Exchanges such as, CME Group, CBOE (Chicago Board Options Exchange), ICE (Intercontinental Exchange) and NYSE Liffe. Technical analysis includes the study of price, volume, momentum and other measures, as well as recurring price patterns and measures of investor sentiment. Technical analysis is based on the theory that a study of the markets themselves provides a means of anticipating prices. Technical analysis of the markets often includes a study of the actual daily, weekly and monthly price fluctuations as well as volume variations and changes in open interest, utilizing charts and or computers for analysis of these items and other technical data.

The CTA has the right to employ any form or method of technical analysis that it deems appropriate and as well as exercise discretion whether to follow any trading signals or parameters generated by its technical trading strategies. The technical trading strategies and systems utilized may be significantly revised from time to time as a result of ongoing research and development that may devise new trading strategies and systems as well as test current technical strategies and systems. Neither the trading strategies used by the Advisor for the Advisor nor the Advisor's performance will necessarily be parallel to or be the same as the trading strategies used by the Advisor for any other account or account traded by the Advisor.

## **FUTURES COMMISSION MERCHANT (BROKER)**

The client is free to use the Futures Commission Merchant (“**FCM**”) and Introducing Broker (“**IB**”) of their choice. However, SCM reserves the right to reject any FCM or IB requested by a client for any reason, including the belief that its execution and/or its back office service is not satisfactory or the commission or fees charged to a client are not satisfactory. Although the client is free to select any IB of their choice, the CTA intends for the time being to pay any such IB a percentage of the fees collected. In such a case, the IB might have incentive to encourage the CTA to trade more actively with the hopes of generating additional profits.

Despite the client’s choice of FCM, SCM will execute all trades through the FCM of its choosing and then “give-up” those trades to the client’s chosen FCM, if different. In other words, if the client’s chosen FCM is different than that of SCM, it will result in an additional “give-up” fee being charged to the client’s account. This fee is in addition to any other brokerage, exchange or clearing fees charged and/or negotiated by the client and their chosen FCM. SCM intends to negotiate to keep this fee around \$1.00 per round turn but it may be higher or lower for an individual client or FCM. SCM does not expect the “give-up” fee to exceed \$2.00 per round turn.

## **PRINCIPAL RISK FACTORS**

In addition to the risks inherent in trading commodity interests pursuant to instructions provided by the Advisor, other risk factors exist, including those described below, in connection with a client participating in the Advisor's managed account program. Prospective clients should consider all of the risk factors described below and elsewhere in this Disclosure Document before participating in the Advisor's program:

**Commodity Futures Trading is Speculative and Volatile:** Commodity futures prices are highly volatile. The Advisor trades a variety of futures and options on futures contracts. Historically, prices for these commodity futures and options contracts were highly volatile at times (*i.e.* prices either increase or decrease rapidly based upon various occurrences). Price movements of futures and options contracts are influenced by, among other things, government, fiscal and monetary programs and policies, national and international political and economic events, weather conditions, and changes in interest rates. None of these factors can be controlled by the Advisor and no assurance can be given that the Advisor's advice will result in profitable trades for a participating client or that a client will not incur substantial losses.

**Options Trading:** The Advisor trades options on futures contracts. Options on futures contracts are traded on United States exchanges. Each such option is a right, purchased for a certain price, to either buy or sell a futures contract or physical commodity during a certain period of time for a pre-established price. Although successful options trading requires many of the same skills required for successful futures trading, the risks involved may be somewhat different. Specific market movements of the commodities or futures contracts underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option plus commissions and fees. The writer of an option is

subject to the risk of loss resulting from the difference between the premium received for the option and the price of the investment instruments underlying the option which the writer must purchase or deliver upon exercise of the option. Therefore, the risk of loss in writing options is unlimited.

**Commodity Futures Trading is Highly Leveraged:** The low margin deposits normally required in commodity futures and options trading permit an extremely high degree of leverage. The higher the leverage the higher the risk. The CTA's trading program generally uses approximately 5-10% of the client's funds as margin, however, the amount of funds used as margin may be higher or lower at times. The CTA employs a subjective approach to determine the client's leverage based upon the size of the account and current market conditions. A relatively small price movement in a commodity futures contract may result in immediate loss, in excess of the amount invested, or profit to the investor.

**Commodity Futures Trading May Be Illiquid:** Most United States commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." The CTA conducts trading on all major exchanges such as the Chicago Board of Trade, Chicago Mercantile Exchange, the New York Mercantile Exchange, and The New York Board of Trade. In the past, futures prices may have reached the daily price limit for any or all of the commodity futures traded by the CTA. During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a futures contract for a particular commodity has increased or decreased to the limit point, positions in the commodity can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Commodity futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the client from promptly liquidating unfavorable positions and subject the client to substantial losses, which could exceed the margin initially used for such trades. Under very unusual circumstances, the client may be required to accept or make delivery of the underlying commodity if the position could not be liquidated prior to its expiration date.

**Start-Up Period for New Accounts and Additions to Existing Accounts:** Each new client account will experience a "start-up period" during which it will incur certain risks relating to the initial investment of its assets. For example, a client may establish his account with the CTA at an unpropitious time, such as after sustained moves in the commodity markets, which may result in significant initial losses. Moreover, clients should be aware that the CTA does not rebalance commodity interest positions across all accounts as a result of additions of assets to existing accounts or in connection with account openings or closings. In the event the CTA has reached its speculative position limit in a particular futures contract, it is not obligated to liquidate positions in other accounts in order to establish an initial position in such contract for new accounts (or to increase positions for existing accounts that have added assets). Accordingly, the start-up period also presents a risk that the level of diversification of a new account's portfolio may be lower for a period of time than in a fully committed portfolio.

**Speculative Nature of Commodity Trading:** Commodity contracts, unlike many securities, do not pay any dividends or interest. Profits can be made in commodity trading only by selling a contract at a higher price than that at which it was bought or by buying a contract at a lower price than at which it was sold.

**A Participating Client's Futures Commission Merchant May Fail:** Under the CTA's trading program, client funds will be held by FCMs located in the United States. As such, rules and regulations of foreign jurisdictions would not apply. Under CFTC Regulations, the Broker is required to maintain client funds in a segregated account. If the Broker fails to do so, the client may be subject to a risk of loss of funds on deposit in the event of bankruptcy. In addition, under certain circumstances, such as the inability of another customer's account satisfying a margin call, the client may be subject to a risk of loss of its funds on deposit with the Broker even if such funds are properly segregated. In the case of any such bankruptcy or customer loss, the client might recover, even in respect of property specifically traceable to the client, only on a pro-rata share of all property available to all of the Broker's customers.

**Positions held overnight purposely or unintentionally:** For positions held overnight or longer, or for positions intended to be day trades that must be or are held overnight, there is a higher margin requirement than for day trading. These higher margins will commit a greater amount of your equity to the trade, and could affect the degree to which the trading portfolio can be diversified. It is anticipated that no more than 30% of the customer's equity will be invested in overnight positions.

**Charges to a Client's Account:** A Client is obligated to pay brokerage commissions, exchange and NFA fees, and management fees regardless of whether the Client realizes profits. The Advisor's incentive fee is based, in part, upon unrealized appreciation in open commodity positions. Such un-realized appreciation may never be realized by a Client. Incentive fees previously paid against such unrealized appreciation will not be refunded.

**Confidentiality of Client Records:** The Advisor may enter into an agreement with an external compliance consulting firm to compile performance data for the Advisor's trading program. Although the Advisor retains all client records under strict confidentiality, the Advisor would provide client records (e.g., daily and month end commodity statements generated by the client's Broker) to the external consultants for purposes of compiling performance data in accordance with CFTC and NFA requirements. At times, the Advisor may be required to furnish complete client records to regulators, legal counsel, courts of competent jurisdiction, or other entities as deemed necessary by the Advisor.

**Changes in Trading Approach:** No assurance is given that the Advisor's performance will result in successful trading for clients under all or any conditions. The Advisor may alter its trading methods, commodity options and/or futures traded, or money

management principles, without prior approval by, or notice to clients, if the Advisor determines that such change in policy is in the best interest of clients.

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

**Tax Risks:** The CTA does not provide tax advice.

THEREFORE, EACH PROSPECTIVE CLIENT MUST CONSULT AND MUST DEPEND ON HIS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF PARTICIPATING IN THE TRADING ADVISOR'S PROGRAM.

#### **HOW TO OPEN AN ACCOUNT**

- 1) The Broker will provide the Client with account documentation necessary to establish the Client's account at the Broker.
- 2) Sign and return to the CTA the original Advisory Agreement.
- 3) Sign and return to the CTA an Acknowledgment of Receipt of the CTA's Disclosure Document
- 4) Sign and forward to the CTA a Fee Payment Authorization.
- 5) Complete and return to the CTA the Arbitration Agreement.
- 6) Deposit funds with the Broker. The minimum initial account size is \$200,000, subject to the CTA's discretion.

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## PRIVACY NOTICE

Stenger Capital Management, LLC, has a policy of confidentiality with respect to all Client information which it holds. The sole receiver of Client statements, in addition to the Clients themselves, are certain third party service providers, who are responsible for keeping accurate individual account statements for each Client.

We do not disclose nonpublic personal information about you except as permitted by law including disclosures made with your consent, or as necessary to process and service your account, to protect against fraud or to protect the security or confidentiality of our records.

## ADVISOR'S FEES

In making this investment and executing the Advisory Agreement, a potential Client affirms to the CTA that among other things, (1) he is aware of the possibility that he may lose an amount in excess of his investment and that the CTA cannot give any assurances as to the potential extent of his loss, (2) the amount of his investment does not constitute more than 20% of his net worth (exclusive of automobile, home and furnishings), (3) the account to be opened by the Client will be opened for Client's own account for the purpose of commodity speculation and not with a view to the subdivision, resale, distribution or other disposition thereof and (4) Client will not sell or otherwise dispose of any part of such interest. Either the Client or the CTA may terminate the Advisory Agreement at any time by delivering a written notification of termination to the other party.

The Advisory Agreement between the Client and the CTA provides that the CTA and its officers, directors, shareholders and employees shall not be liable to the Client except by reason of willful misconduct or gross negligence, or for not having acted in the reasonable belief that its actions were in, or were not opposed to, the best interests of the Client. The Advisory Agreement furthermore provides that the Client will indemnify the CTA, its shareholders, officers, directors and employees for all liability incurred whether or not related to the performance of services required or contemplated by the Advisory Agreement, provided that there has been no judicial determination that such liability was the result of the CTA's negligence or misconduct and, provided further, the conduct which was the basis for such liability was done in a reasonable belief that it was in, or not opposed to, the best interest of the Client.

Each Client is generally required to pay SCM a management fee, without regard to the profitability of SCM's trading for the Client's account, and an incentive fee, based on the profitability of SCM's trading for the Client's account. SCM's stated fees are a one percent (1%) management fee (**calculated daily at 1/365th of 1%**) of the "Assets Under Management," to be paid at the end of each month, and an incentive fee of twenty percent (20%) of Net Trading Profits charged monthly after the management fee has been charged against any profits generated. SCM's stated fees may be modified by SCM and its Clients depending on a variety of factors including, but not limited to, (i) the size of the account, (ii) account duration, (iii) frequency of management fee periods

and incentive fee periods (management fees and incentive fees may be charged on a monthly, quarterly or annual basis), (iv) any fees charged by third-parties to the account, (v) the rate of interest income applicable to the, (vi) benchmarks or other performance hurdles applicable to the account, or (viii) other circumstances as determined by SCM or the Client. SCM's fees applicable to each account are specifically described in each Client's Investment Management Agreement. Because SCM may structure each account (including the applicable fees) to meet specific Client needs, the foregoing description of SCM's fees represents a general guideline.

Each account will be subject to fees and commissions payable to the Broker for brokerage, administrative and trading expenses. The CTA will bill all fees with the billing sent directly to the Client's Broker to be paid out of the Client's account. Fees will be deducted directly from the Client's commodity trading account. The Client will be required to sign a Fee Payment Authorization, which will authorize the Financial Institution (*i.e.*, an Broker, a bank, or an insurance company) to deduct from the Client's account, and remit directly to the CTA, payment of the incentive and management fee.

**Management Fee:** The Advisor charges a daily management fee of up to 1/365th of 1% of "**Assets Under Management**," to be paid at the end of month. "**Assets Under Management**" is defined as the Client account's ending equity as of the end of each day. Ending equity includes the sum of all cash and cash equivalents, current market value of securities, plus the unrealized profit or loss on open positions, plus accrued interest income earned on securities and equity balances, minus accrued commissions on open positions, minus other accrued expenses (*e.g.* management and incentive fees not yet paid). Management fees are charged regardless of the profitability in the Client's account.

It is important for clients to be aware that the CTA fees will impact notionally funded accounts more significantly on a percentage basis verses fully funded accounts. For example, if a client chose to fund a notional account at 50% of its fully funded level, the CTA management fee of 1% of the fully funded level will end up being 2% of the notional account equity.

**Incentive Fee:** The Client will pay the Advisor a monthly incentive fee of up to 20% based on monthly net trading profit. For purposes of calculating the Advisor's incentive fees during a period, "**Trading Profits**" shall mean the cumulative profits (over and above the aggregate of previous period profits as of the end of any period) during the period ("**Period**") (after deduction for brokerage fees paid but before deducting the Advisor's incentive fee payable). Trading Profits shall include: (i) the net of profits and losses (*i.e.* less commissions, clearing and exchange fees, and NFA fees) resulting from all trades closed out during the period, (ii) the change in unrealized profit or loss on open trades as of the close of the Period, and (iii) the amount of interest and other investment income earned, not necessarily received, during the Period, minus: (i) the change in accrued commissions on open trades as of the close of the period, and (ii) other expenses incurred during the period. All open futures positions in a Client's account are calculated at their fair market value at the end of each business day and at

the end of the month. The market value of an open position is determined by the settlement price as determined by the exchange on which the transaction is completed, or the most recent appropriate quotation provided by the futures commission merchant as supplied by the exchange. If any payment is made to the Advisor with respect to trading profits experienced by the account, and the account thereafter incurs a net loss for any subsequent period, the Advisor will retain the amount previously paid with respect to such trading profits. Losses shall be carried forward from the preceding periods and not carried back. If trading profits for a period are negative (thus a trading loss), it shall constitute a "Carry Forward Loss" for the beginning of the next period. If a Client terminates the Advisor's power of attorney at any time prior to the last trading day of the month, then any incentive fee due will be calculated as of the last day the Advisor maintained discretionary authority.

### **CONFLICTS OF INTEREST**

Prospective Clients should be aware that these, and other, potential conflicts of interests are frequently inherent in the position occupied by a CTA. The Advisor, however, is obligated to treat each Client with fairness, considering the Client's best interests. All efforts will be made to assure fair and equitable treatment of all accounts. Clients should be aware that normal marketplace factors may cause the results of various accounts to differ.

The Advisor may trade for its own account. Additionally, some of the Advisor's principals may trade commodities and commodity interests for their own accounts. The trades in these accounts may compete with a Client's account for the same or similar positions in the commodity markets. There also exists a potential for conflict in that the Advisor may give preferential treatment to proprietary accounts and that it may trade ahead of client accounts. The Advisor expects to manage the commodity accounts of various Clients. Neither the trading records of the CTA nor the principals' proprietary accounts will be available for review or inspection.

All of these accounts plus the accounts owned or controlled by any affiliates of the Advisor will be combined for purposes of speculative position limits (restrictions imposed by U.S. commodity exchanges and the CFTC on the size of the commodity positions that a person may hold or control), so that the number of commodity positions that the Advisor establishes for any one Client may be restricted by the number of positions held for these other accounts. Also, these other accounts might compete with a Client's account for the same or similar positions in the commodity markets. To the extent that position limits restrict the total number of positions that the Advisor may establish for any one Client and those of other accounts, the Advisor will allocate commodity transaction orders equitably between the Client's account and such other accounts on a pro-rata basis, if possible. If pro rata allocation is not possible, then the Advisor will rotate the accounts that receive fills. The Advisor and/or principals of the Advisor may receive a fill price and the Client may not.

The Advisor may have investments in other accounts, which could create an incentive to favor those accounts over any one Client's account. Although no such

favoritism is intended or expected to occur, there can be no assurance that the performance of the proprietary accounts will be similar to those of a Client's account.

The Advisor and/or its principals may, at times, test new trading concepts and techniques in their own accounts. As such, trading in these accounts may be more aggressive than Client accounts, and trading in these accounts may involve trade's which are opposite to Clients' trades.

The Advisor intends to continue to actively solicit and manage other Client accounts. In conducting such activities, the Advisor may have conflicts of interest in allocating management and advisory time, services, and other functions.

The incentive fee arrangement entered into between the Advisor and its Clients might create an incentive for the Advisor to make investments that are risky or speculative as the Advisor would be partaking in the net performance of the Clients' account.

The client is free to select any IB of their choice and the CTA intends for the time being to pay any such IB a percentage of the fees collected. In such a case, the IB might have incentive to encourage the CTA to trade more actively with the hopes of generating additional profits.

(This section intentionally left blank)

## THE CTA'S PERFORMANCE RECORD

The CFTC requires the CTA to disclose the past performance history of all accounts directed by the CTA and by each of its trading principals for the previous five (5) years and the year-to-date. The CTA, Mr. Scott Stenger and Mr. Christopher Stenger have managed Client accounts since April 15, 2010, and the performance of the accounts is disclosed below.

### PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

#### CAPSULE(UNAUDITED)

Name of CTA	STENGER CAPITAL MANAGEMENT, LLC
Name of Trading Program (Futures Only)	Diversified Trading Program
Date CTA Began Trading Client Accounts	April 15, 2010
Date CTA Began Using Trading Program for Client Accounts	April 15, 2010
Number of Client Accounts Currently Traded Pursuant to the Program	49
Total Nominal Assets Under Management in all Programs	\$44,261,771
Total Nominal Assets Traded Pursuant to this Program	\$44,261,771
Worst Monthly Percentage Draw-Down Jun 2013*	-1.40%
Worst Peak-to-Valley Draw-Down May 2013-Feb 2015*	-3.78%
Number of Accounts Using Trading Program Closed with Profits	50
Range of Returns Experienced by Profitable Accounts	0.03% - 47.22%
Number of Accounts Using Trading Program Closed with Losses	195
Range of Returns Experienced by Unprofitable Accounts	-0.05% - -5.31%

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. FUTURES TRADING IS SPECULATIVE AND INVOLVES SUBSTANTIAL RISK OF LOSS.**

**MONTHLY AND ANNUAL RATES OF RETURN.  
SEE NOTES TO CAPSULE PERFORMANCE RECORD OF THE ADVISOR.**

	Rate of Return					
<b>Month</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Jan	0.01%	0.04%	-0.29%	0.27%	0.90%	0.62%
Feb	-0.18%	-0.28%	-0.34%	0.15%	0.70%	0.95%
Mar	-0.05%	0.44%	-0.09%	0.17%	0.13%	1.96%
Apr	0.19%	0.02%	0.36%	-0.07%	0.28%	0.78%
May	0.28%	0.15%	-0.60%	0.47%	0.18%	0.38%
Jun	0.39%	0.53%	0.09%	-1.40%	0.51%	1.64%
Jul	-0.78%	0.13%	0.07%	-0.61%	0.25%	12.36%
Aug	-0.29%	0.11%	0.15%	0.76%	0.12%	0.24%
Sep	0.27%	0.04%	-0.20%	-0.61%	-0.34%	-0.07%
Oct	-0.27%	-0.01%	-0.71%	-0.55%	0.33%	-0.09%
Nov		0.05%	0.10%	0.24%	0.02%	-0.39%
Dec		0.03%	-0.02	0.07%	0.23%	0.40%
<b>Year</b>	<b>-0.43%</b>	<b>1.26%</b>	<b>-1.48%</b>	<b>-1.13%</b>	<b>3.36%</b>	<b>19.78%</b>

**\*\*Draw-Down\*\* means losses experienced by the program over a specified period.**

“Worst Monthly Percentage Draw-Down” is the largest monthly loss experienced by the program in any calendar month expressed as a percentage of the total equity in the account and includes the month and year of such draw-down.

Worst Peak-to-Valley Draw-Down is greatest cumulative percentage decline in month-net asset value due to losses sustained by the program trading pursuant to the program during which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end net asset value.

The Monthly Rate of Return is computed by dividing Monthly Performance by Beginning Equity plus Additions. The monthly rates are then compounded to arrive at the annual rate of return.

**SPECIAL DISCLOSURE FOR NOTIONALLY FUNDED ACCOUNTS:**

You should request your CTA to advise you of the amount of cash or other assets (Actual Funds) which should be deposited to the CTA's trading program for your account to be considered "Fully Funded." This is the amount upon which the CTA 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 CTA'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 your 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 conversion chart below may be used to convert the ROR's in the capsule to corresponding ROR's for particular partial funding level.

**CONVERSION CHART FOR ROR's**

**ACTUAL FUNDED AT:**

<u>ROR</u>	<u>100%</u>	<u>80%</u>	<u>60%</u>	<u>40%</u>	<u>20%</u>	<u>10%</u>
40.00%	40.00%	50.00%	66.66%	100.00%	200.00%	400.00%
35.00%	35.00%	43.75%	58.33%	87.50%	175.00%	350.00%
30.00%	30.00%	37.50%	50.00%	75.00%	150.00%	300.00%
25.00%	25.00%	31.25%	41.67%	62.50%	125.00%	250.00%
20.00%	20.00%	25.00%	33.33%	50.00%	100.00%	200.00%
15.00%	15.00%	18.75%	25.00%	37.50%	75.00%	150.00%
10.00%	10.00%	12.50%	16.67%	25.00%	50.00%	100.00%
5.00%	5.00%	6.25%	8.33%	12.50%	25.00%	50.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-5.00%	-5.00%	-6.25%	-8.33%	-12.50%	-25.00%	-50.00%
-10.00%	-10.00%	-12.50%	-16.67%	-25.00%	-50.00%	-100.00%
-20.00%	-20.00%	-25.00%	-33.33%	-50.00%	-100.00%	-200.00%
-25.00%	-25.00%	-31.25%	-41.67%	-62.50%	-125.00%	-250.00%

## ACKNOWLEDGMENT OF RECEIPT

Clients will be required to acknowledge in writing that they have received a copy of this Commodity Trading Advisor Disclosure Document.

Stenger Capital Management, LLC  
13960 Craig Way  
Broomfield, Colorado 80020  
Client Services Phone: (303) 353-1410  
Client Services Fax: (888) 658-4010  
Email: Scott@stengercapital.com

I/We have received, read and understood the attached Disclosure Document of Stenger Capital Management, LLC (“**SCM,**” “**CTA,**” or “**Advisor**”), dated November 28, 2016, as it may be amended or supplemented from time-to-time.

I understand the risks involved in opening and maintaining a managed account, and that profitable trading cannot be guaranteed by the Advisor. I further acknowledge that the Advisor will not be responsible for trading losses.

### **For Entity Clients:**

\_\_\_\_\_  
Client Name

\_\_\_\_\_  
By (Print Name)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Date

### **For Individual/Joint Clients:**

\_\_\_\_\_  
Client Name (Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Second Client Name (Joint Account)

\_\_\_\_\_  
Second Client Signature (Joint Account)

\_\_\_\_\_  
Date (Joint Account)

Advisor’s Acknowledgment (Print):

\_\_\_\_\_

Advisor’s Signature:

\_\_\_\_\_

Date:

\_\_\_\_\_

**LIMITED POWER OF ATTORNEY**

Stenger Capital Management, LLC  
13960 Craig Way  
Broomfield, Colorado 80020  
Client Services Phone: (303) 353-1410  
Client Services Fax: (888) 658-4010  
Email: Scott@stengercapital.com

The undersigned client (“**Client**”) hereby constitutes, appoints, and authorizes Stenger Capital Management, LLC, as Client's true and lawful agent and attorney-in-fact, in Client's name, place, and stead, to buy, sell (including short sales), trade, and otherwise acquire, dispose of, and deal in commodity futures, commodity options, and other commodity interests, on margin or otherwise, on United States exchanges. Client hereby gives and grants to Stenger Capital Management, LLC, the “**CTA**,” full power and authority to act for Client and on Client'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 Client might or could do if personally present, and Client hereby ratifies all that Stenger Capital Management, LLC may lawfully do or cause to be done by virtue of this power of attorney. Client hereby ratifies and confirms any and all transactions heretofore made by Stenger Capital Management, LLC for the account.

**For Entity Clients:**

**For Individual/Joint Clients:**

\_\_\_\_\_  
Client Name

\_\_\_\_\_  
Client Name (Print)

\_\_\_\_\_  
By (Print Name)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Second Client Name (Joint Account)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Second Client Signature (Joint Account)

\_\_\_\_\_  
Date (Joint Account)

Advisor’s Acknowledgment (Print):

\_\_\_\_\_

Advisor's Signature:

\_\_\_\_\_

Date:

\_\_\_\_\_

**AUTHORIZATION TO PAY FEES**

Stenger Capital Management, LLC  
13960 Craig Way  
Broomfield, Colorado 80020  
Client Services Phone: (303) 353-1410  
Client Services Fax: (888) 658-4010  
Email: Scott@stengercapital.com

The undersigned client ("**Client**") hereby authorizes the futures commission merchant ("**Broker**") named below to withdraw from the Client's commodity trading account with the Broker and remit directly to Stenger Capital Management, LLC ("**Advisor**") immediately upon receipt of a bill from the Advisor, an incentive fee of \_\_\_\_\_% (indicate incentive fee %) of the monthly new net trading profits (as described in the Advisory Agreement) and annual management fee of \_\_\_\_\_% (indicate annual management fee %), calculated daily based on the "Assets Under Management" (as described in the Advisory Agreement) and paid from the account as of the end of each month. Such fees shall become due and owing to the Advisor under the terms and conditions of the Client Agreement and Trading Authorization between the Advisor and Client. Client acknowledges Client's ongoing responsibility to review regularly all Client account records and statements from the Broker and from the Advisor since such records will be conclusive and binding on Client unless a prompt written objection from Client is received by the Broker or the Advisor, as the case may be.

**For Entity Clients:**

\_\_\_\_\_  
Client Name  
\_\_\_\_\_  
By (Print Name)  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Authorized Signatory  
\_\_\_\_\_  
Date

**For Individual/Joint Clients:**

\_\_\_\_\_  
Client Name (Print)  
\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Date  
\_\_\_\_\_  
Second Client Name (Joint Account)  
\_\_\_\_\_  
Second Client Signature (Joint Account)  
\_\_\_\_\_  
Date (Joint Account)

Advisor's Acknowledgment (Print):

\_\_\_\_\_

Advisor's Signature:

\_\_\_\_\_

Date:

\_\_\_\_\_

## ARBITRATION AGREEMENT

Stenger Capital Management, LLC  
13960 Craig Way  
Broomfield, Colorado 80020  
Client Services Phone: (303) 353-1410  
Client Services Fax: (888) 658-4010  
Email: Scott@stengercapital.com

The undersigned client ("**Client**") hereby agrees that any controversy between Client and Stenger Capital Management, LLC ("**Advisor**"), or any of the Advisor's employees, affiliates, or agents, or the Advisor's 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 Client's accounts with the Advisor, transactions between Client and the Advisor, or any of the Advisor's affiliated persons, or the Client Agreement and Trading Authorization, Authorization to Pay Fees, or any other document or agreement now or hereafter existing that relates to Client's accounts with the Advisor, 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 Client notifies the Advisor or any of the Advisor's affiliated persons that Client intends to submit a controversy to arbitration or at such time as the Advisor or any of the Advisor's affiliated persons notifies Client that the Advisor or any of the Advisor's affiliated persons intends to submit a controversy to arbitration, Client shall have the opportunity to choose a forum from a list of two or more qualified forums provided by the Advisor. A "**qualified forum**" is an organization whose procedures for conducting arbitrations comply with the requirements of United States Commodity Futures Trading Commission ("**CFTC**") Regulation Section 166.5.

As required by CFTC Regulation Section 166.5, the Advisor or any of the Advisor's affiliated persons who are 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 Client 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 Client in accordance with the substantive law of the State of Wyoming, 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 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 CLIENTS, INCLUDING THE ABILITY TO OBTAIN AN EXPEDITIOUS AND FINAL RESOLUTION OF DISPUTES WITHOUT INCURRING SUBSTANTIAL COSTS. THE CFTC REQUIRES, HOWEVER, THAT EACH CLIENT 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 COUNTER CLAIMS WHICH YOU OR THE ADVISOR OR ANY OF THE ADVISOR'S 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 THE ADVISOR OR ANY OF THE ADVISOR'S 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 "REPARATION" 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 THE ADVISOR. SEE 17 CODE OF FEDERAL REGULATIONS 166.5.**

**For Entity Clients:**

**For Individual/Joint Clients:**

\_\_\_\_\_  
Client Name (Print)

\_\_\_\_\_  
Client Name (Print)

\_\_\_\_\_  
By (Print Name)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Second Client Name (Joint Account)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Second Client Signature (Joint Account)

\_\_\_\_\_  
Date (Joint Account)

Advisor's Acknowledgment (Print):

\_\_\_\_\_

Advisor's Signature:

\_\_\_\_\_

Date:

\_\_\_\_\_

## ADVISORY AGREEMENT

This **ADVISORY AGREEMENT** is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Stenger Capital Management, LLC, 13960 Craig Way, Broomfield, Colorado 80020 ("**Advisor**"), and \_\_\_\_\_ ("**Client**").

**WHEREAS** the Client wishes to retain the Advisor to manage one or more commodity trading accounts for the Client (collectively, the "**Account**") pursuant to the Advisor's trading program, and that the Client will establish for that purpose a trading Account with the futures commission merchant \_\_\_\_\_ (indicate name of Broker here) ("**Broker**") and the Client hereby acknowledges receiving, reading, and understanding the Advisor's commodity trading advisor Disclosure Document dated November 28, 2016, ("**Disclosure Document**").

**NOW THEREFORE**, the parties agree as follows:

### **THIS AGREEMENT IS ENTERED INTO BASED UPON THE FOLLOWING REPRESENTATIONS:**

The Client represents that he has speculative capital for the principal purpose of investing in futures and options on futures contracts and has been informed and is fully cognizant of the possible high risks associated with such investments.

### **IT IS MUTUALLY AGREED THAT:**

1. Client understands that the Advisor has filed its Disclosure Document with the Commodity Futures Trading Commission ("**CFTC**") and the National Futures Association ("**NFA**").
2. The Client shall deposit with Broker \_\_\_\_\_ (indicate name of Broker here), funds and/or securities in the amount of \$\_\_\_\_\_.
3. The Advisor, as compensation for advisory services, will charge an annual management fee of \_\_\_\_\_% (indicate management fee rate) of "Assets Under Management," which amount will be calculated on a daily basis and paid from the Account as of the end of each month. "**Assets Under Management**" is defined as the Account's ending equity as of the end of each day. Ending equity includes the sum of all cash and cash equivalents, current market value of securities, plus the unrealized profit or loss on open positions, plus accrued interest income earned on securities, minus accrued commissions on open futures positions, minus other accrued expenses (e.g. management and incentive fees not yet paid). Management fees are calculated daily, as 1/365 of the annual management fee rate times the Assets Under Management. Management fees are charged regardless of the profitability in the Client's Account.

The Advisor, as compensation for advisory services, will charge a monthly incentive fee of \_\_\_\_\_% (indicate incentive fee rate) based on new trading profits as of the end of each month. For purposes of calculating the Advisor's incentive fees during a period, **Trading Profits** shall mean the cumulative profits (over and above the aggregate of previous period profits as of the end of any period) during the period ("**Period**") (after deduction for brokerage fees paid but before deducting the Advisor's incentive fee payable). Trading Profits shall include: (i) the net of profits and losses (*i.e.* less commissions, clearing and exchange fees, and NFA fees) resulting from all trades closed out during the period, (ii) the change in unrealized profit or loss on open trades as of the close of the Period, and (iii) the amount of interest and other investment income earned, not necessarily received, during the Period, minus: (i) the change in accrued commissions on open trades as of the close of the Period, and (ii) other expenses incurred during the period. All open futures positions in a Client's Account are calculated at their fair market value at the end of each business day and at the end of the month. The market value of an open position is determined by the settlement price as determined by the exchange on which the transaction is completed, or the most recent appropriate quotation provided by the futures commission merchant as supplied by the exchange. If any payment is made to the Advisor with respect to Trading Profits experienced by the Account, and the Account thereafter incurs a net loss for any subsequent period, the Advisor will retain the amount previously paid with respect to such Trading Profits.

Losses shall be carried forward from the preceding Periods and not carried back. If Trading Profits for a period are negative (thus a Trading Loss), it shall constitute a "**Carry forward Loss**" for the beginning of the next period.

If a client terminates the Advisor's power of attorney at any time prior to the last trading day of the month, then any incentive fee due will be calculated as of the last day the Advisor maintained discretionary authority. All fees will be billed by the Advisor, with the billing sent directly to the Broker, to be paid out of the Client's Account only if the client has properly executed a Fee Payment Authorization. In the event the Client does not execute a Fee Payment Authorization, the bill will be sent directly to the Client for payment. If the Client will pay the fees from sources outside of the Account, the payment must be made payable to "Stenger Capital Management, LLC."

The Advisor reserves the right to share any portion of these fees with third parties in accordance with regulatory and industry standards. The Client expressly agrees that any such fees due the Advisor shall survive the termination or other expiration of this agreement.

4. The Advisor will trade futures contracts and options on futures contracts and will have the exclusive authority to issue all necessary instructions to the Broker. All such transactions shall be for the Account and risk of the Client.

5. The Advisor will seek capital appreciation in the Client's Account by trading speculatively in futures and options on futures.

6. The Client may withdraw capital from the Account at any time. The Client should provide the Advisor with ten (10) business days advance written notice of such intention to withdraw funds so the Advisor may adjust the Client Account accordingly. If the Client does not provide advance notice the client's account could suffer unanticipated losses. The Client may add capital to the Account at any time with the prior approval of the Advisor and shall promptly notify the Advisor of any such intended action.

7. This Agreement shall remain in effect until terminated by the receipt of written notice of either party to the other, ten (10) business days prior to the termination date. The Advisor or the Client may terminate this Agreement for any reason upon such notice. Upon termination of this agreement, the open positions and subsequent management of the Account shall be the sole responsibility of the Client.

8. The Advisor's recommendations and authorizations shall be for the Account and risk of the Client. The Advisor makes no guarantee that any of its services will result in a profit to the Client. The Client has discussed the risks of futures trading with the Broker and understands those risks. The Client assumes the responsibility of losses that may be incurred.

9. The Client agrees to execute a "Limited Trading Authorization & Power of Attorney" with his/her broker authorizing the Advisor to enter orders for commodity interests for the Client's Account.

10. The Client agrees to authorize payments from the Client's Account to the Advisor in compensation for services as set forth in this agreement. In any action by the Advisor to compel payment of fees, the Client shall pay the Advisor's reasonable costs of collection (including reasonable attorney's fees) if the outcome of the action is in favor of the Advisor.

11. The Client agrees to promptly review all Account statements from the Broker, and any statements that may be sent to the Client by Advisor. Such statements shall be binding on the Client unless a prompt written objection from the Client is received by the Broker or the Advisor, as the case may be. The Client acknowledges that the Advisor has no obligation to provide any statements or other reports relating to the Account.

12. Client represents that it will not place any trades into the Account directed by the Advisor.

13. Client represents that neither the Advisor nor any of its principals have made any guarantee as to profitability.

14. Client understands that the Advisor may charge other clients fees that are different from and possibly more favorable than the fee structure arrived at between the Advisor and Client.

15. The Advisor will not be liable to the Client or to others except by reason of acts constituting willful malfeasance or gross negligence as to its duties herein, and disclaims any liability for human or machine errors in orders to trade or not to trade commodity interests.

16. In the event that any provisions of this Agreement are invalid for any reason whatsoever, all other conditions and provisions of the Agreement shall, nevertheless, remain in full force and effect.

17. By depositing funds with the Broker, the Client acknowledges and accepts the propriety of the Advisor's trading program and his/her suitability to bear the economic risk of loss in commodity trading in commodity interests.

18. This Agreement may not be assigned by either party without the prior written consent of the other party. This Agreement shall inure to the benefit of the parties hereto and their respective successors and assigns.

19. This Agreement shall be construed in accordance with the laws of the State of Wyoming, except to the extent superseded by federal law.

20. The Client should be aware that additions, withdrawals, and net performance may change the notional amount in the Client's account, but the nominal account size will not change unless agreed upon in writing by the Client. Additionally, for an account that is 50% funded, for example, the account's margin-to-equity ratio, which would normally average 10%, would be equivalent to a 20% margin-to equity ratio. Notional equity also creates additional leverage in an account relative to the cash in such account. This additional leverage results in proportionately greater risk of loss. While the possibility of losing all of the cash in an account is present in all accounts, accounts that contain notional equity have a proportionately greater risk of loss. Notional funds are described as the difference between the nominal account size agreed upon by the Client and the Advisor and the amount of funds actually deposited in the Client's account.

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 large margin calls.

3. The conversion chart contained in this disclosure document may be used to convert the ROR's in the capsule to corresponding ROR's for particular partial funding level.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first written above.

**STENGER CAPITAL MANAGEMENT, LLC**

By: \_\_\_\_\_  
**Scott C. Stenger, Managing Member**

**CLIENT ACKNOWLEDGMENT:**

**For Entity Clients:**

\_\_\_\_\_  
Client Name

\_\_\_\_\_  
By (Print Name)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Date

Advisor's Acknowledgment (Print):

Advisor's Signature:

Date:

**For Individual/Joint Clients:**

\_\_\_\_\_  
Client Name (Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Second Client Name (Joint Account)

\_\_\_\_\_  
Second Client Signature (Joint Account)

\_\_\_\_\_  
Date (Joint Account)

**STENGER CAPITAL MANAGEMENT, LLC**

**NEW ACCOUNT QUESTIONNAIRE**

National Futures Association Rule 2-30 requires Stenger Capital Management, LLC to request the following information from each prospective client. The client may decline to provide this information if he, she or they so chooses.

1. Client's Name:  
\_\_\_\_\_

2. Home or Business Address:  
\_\_\_\_\_

3. Telephone (for emergencies only):  
\_\_\_\_\_

4. Client's Date of Birth (if applicable):  
\_\_\_\_\_

5. Client's Occupation:  
\_\_\_\_\_

6. Client's approximate Annual Income:  
\_\_\_\_\_

7. Client's approximate Net Worth:  
\_\_\_\_\_

8. Clients Investment Objectives allow for speculation Yes  No

9. Investment Experience – Please check all that apply:

- Stocks/Bonds For How Long: \_\_\_\_\_
- Futures For How Long: \_\_\_\_\_
- Limited Partnerships For How Long: \_\_\_\_\_
- Mutual Advisors For How Long: \_\_\_\_\_
- Other For How Long: \_\_\_\_\_

10. Type of Account – Please check the investment status that applies to you. This investment is made as a(n):

- Individual
- Joint
- Partnership
- Corporation
- Limited Liability Company
- Other \_\_\_\_\_

**Registration Requirements for NON-INDIVIDUAL ACCOUNTS**  
**Please complete if you are an Entity Client**

1. Does the entity currently have or solicit US Investors?

Yes \_\_\_\_\_ No \_\_\_\_\_

2. Is the entity organized outside of the United States?

Yes \_\_\_\_\_ No \_\_\_\_\_

3. Is the entity registered with the NFA, CFTC or SEC? If so, please provide registrations.

Yes \_\_\_\_\_ No \_\_\_\_\_

Registrations \_\_\_\_\_

If the entity is not registered, if applicable, please attach a copy of the exemption notice submitted to the NFA

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## NOTIONAL FUNDS AGREEMENT

Re: Advisory agreement between Stenger Capital Management, LLC (“CTA” or “Advisor”) and \_\_\_\_\_ (“Client”)

You have directed that Stenger Capital Management, LLC begin trading your account on a notional basis effective \_\_\_\_\_, 20\_\_\_\_\_.

\$ \_\_\_\_\_ will be invested in the trading program.

The account will be traded at an equity level at such date of \$ \_\_\_\_\_. Any increases or decreases in the notional portion of the account may be made only upon prior written notice to us. Withdrawals of capital from the account (including notional equity) at a time when the account has a carry-forward loss will result in an adjustment to such loss carry-forward in a ratio equal to the withdrawal divided by the equity prior to the withdrawal.

The Advisor is providing this document to you because you have expressed your desire to us to use notional funds to increase the leverage available to the Advisor in trading your futures account. You hereby represent to us 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 which are contained in your Customer Agreement.

You should be aware that by using 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 this Disclosure Document:

- 1) Trading your account as though the notional amount were actually in your account will produce profits and losses which are greater than if the Advisor were trading only the actual equity in your account.
- 2) Trading your account as though the notional amount were actually in your account will tend to result in more active trading, thus resulting in greater commission charges.
- 3) You will be subject to higher management fees since the Advisor will charge management fees to your account based upon the notional 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 Stenger Capital Management, LLC, and neither the clearing broker nor Stenger Capital Management, LLC will be responsible for margin calls or deficit balances in your account which may result from your use of notional funds to increase leverage.

5) The performance of your account will 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 funds to increase leverage.

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

ACKNOWLEDGED AND AGREED TO BY CLIENT:

By: *(Signature)* \_\_\_\_\_ *(Date)* \_\_\_\_\_

*(Print name)* \_\_\_\_\_

## **STENGER CAPITAL MANAGEMENT, LLC**

### **PRIVACY POLICY**

#### **Your Privacy is Our Priority**

Stenger Capital Management, LLC (the “Company”) is committed to safeguarding the personal information that you provide us. This Privacy Policy describes how we handle and protect personal information we collect about individuals, such as you, who apply for or receive our products and services. The provisions of this notice apply to former customers as well as our current customers.

#### **Why and How We Collect Personal Information**

When you seek to do business with the Company, we collect personal information about you for business purposes, such as evaluating your financial needs, processing your requests and transactions, informing you about products and services that may be of interest to you, and providing customer service. The personal information we collect about you includes:

- information you provide to us on applications and other forms, such as your name, address, date of birth, social security number, occupation, assets, and income;
- information about your transactions with us and with our affiliates;
- information we receive from consumer reporting agencies, such as your credit history and creditworthiness, and other entities not affiliated with the Company; and
- information you provide to us to verify your identity, such as a passport, or received from other entities not affiliated with the Company.

#### **How We Protect Personal Information**

We limit access to your personal information to those employees who need to know in order to conduct our business, service your account, and help you accomplish your financial objectives. Our employees are required to maintain and protect the confidentiality of your personal information. We maintain physical, electronic, and procedural safeguards to protect your personal information. We do not rent or sell your name or personal information to anyone, unless we explicitly inform you in writing otherwise.

#### **Sharing Information With Our Affiliates**

We may share personal information described above with an affiliate of the Company for business purposes, such as servicing customer accounts and informing customers about new products and services, and as permitted by applicable law.

The information we share with affiliates for marketing purposes may include the information described above, such as name, address and account information, but will not include other credit information, such as credit history appearing on a consumer credit report or net worth and income information appearing on applications for our products and services, unless otherwise consented to by you.

### **Disclosure to Non-Affiliated Third Parties**

In order to support the financial products and services we provide to you, we may share the personal information described above with third-party service providers and joint marketers not affiliated with us, including:

- financial service institutions (e.g., advisers, dealers, brokers, trust companies and banks) with whom we may have joint marketing arrangements, such as arrangements to market financial services or products that we jointly offer, endorse or sponsor; and
- companies under contract to perform services for us or on our behalf, such as vendors that prepare and mail statements and transaction confirmations or provide data processing, computer software maintenance and development, transaction processing and marketing services.

These companies acting on our behalf are required to keep your personal information confidential.

Also, we may disclose personal information with non-affiliated companies, self-regulatory organizations, such as the National Futures Association, and regulatory authorities, such as the Commodity Futures Trading Commission, as permitted or required by applicable law. For example, we may disclose personal information to cooperate with regulatory authorities and law enforcement agencies to comply with subpoenas or other official requests, and as necessary to protect our rights or property. Except as described in this privacy policy, we will not use your personal information for any other purpose unless we describe how such information will be used at the time you disclose it to us or we obtain your permission to do so.

### **Accessing and Revisiting Your Personal Information**

We endeavor to keep our customer files complete and accurate. We will give you reasonable access to the information we have about you. Most of this information is contained in account statements that you receive from us and applications that you submit to obtain our products and services. We encourage you to review this information and notify us if you believe any information should be corrected or updated. If you have a question or concern about your personal information or this privacy notice, please contact your Company representative.