

Due Diligence Report

CTA:

Address:

Date:

Prepared by:

Table of Contents

Contact Information	3
Registration	4
Principals and Shareholders.....	5
Staff	6
System Design & Owner	7
Outsourced Professional Services	8
FCM & IB Affiliations	9
Compliance	11
Account Opening & Closing Procedures.....	12
1. New Account Opening Procedures	12
2. Account Closing Procedures.....	12
Account Size & Notionalized Funding Requirements.....	13
Advisory Fees.....	14
Brokerage Commissions.....	15
Customer Reporting	16
Trading Strategy & Overview	17
1. Trading Strategy	17
2. System Overview	17
3. Trading Philosophy	17
4. Greatest Influences.....	17
The Benefits of Investing	18
Return & Risk Expectations.....	19
1. Targeted Return	19
2. Worst Expected Drawdown.....	19
System Strengths, Weaknesses, and Modifications.....	20
System Components	21
Markets Traded.....	22
Data	23
Research & Development	24
Track Record Details.....	25
Back Office Procedures	27
Reconciliation & Account Monitoring.....	29
Track Record.....	30
Risk Management	31
Trading Account Size	33
Options	34
Order Entry and Stops	35
Strategies for Difficult Markets.....	37
Historical Drawdowns & Recovery Times.....	38
Proprietary Trading	40
Growth.....	41
Additional Comments.....	42

Contact Information

Name of CTA:

Program:

Contact Person:

Administrative Address:

Sales Address:

Telephone:

Fax:

E-mail:

Web Address:

Is your performance information available at autumngold.com?

Date of Latest Disclosure Document:

Do you have multiple programs available?

If yes, please indicate whether the following applies to all of your programs or just the program indicated above?

Registration

Are you an NFA Member?

CTA

Are you operating under an NFA Exemption?

If yes, what Exemption?

Have you filed an Exemption Letter with the NFA?

CPO

Are you operating under an NFA Exemption?

If yes, what Exemption?

Have you filed an Exemption Letter with the NFA?

Floor Broker

FCM

IB – Independent

IB – Guaranteed

Date of Registration with NFA:

NFA Registration Number:

Have you been audited by the NFA?

Date of last NFA Audit:

List any other Registrations you may hold:

Principals and Shareholders

Please list each of the principals & ownership percentage:

Please outline each principal's experience:

Do any of the principals have outside business activities?

If yes, please elaborate:

Please list any previous CTA affiliations:

Please list shareholders:

Staff

Number of Employees:

Person(s) who make(s) Trading Decisions:

Trade Reconciliation Staff:

Compliance Staff:

Administrative Staff:

Sales/Marketing Staff:

Customer Service Representative:

System Design & Owner

Who designed the system?

Why owns the system?

Elaborate on any additional relevant details:

Outsourced Professional Services

Who prepared your disclosure document?

Who is your Attorney?

Do you use an outside Accounting Firm to prepare your monthly performance numbers?

If yes, who is your Accountant?

Do you outsource back office systems?

If yes, who do you use?

Give details on any other relevant outsourced services:

FCM & IB Affiliations

List any Clearing Firms with whom you have a relationship:

Are you willing to add additional clearing firms?

List any Introducing Brokers with whom you have a relationship:

Do you allow fee sharing with Introducing Brokers or FCMs?

If yes, what are the guidelines?

Do you use an Executing Brokers?

What benefits do you gain by using an Executing Broker?

What are the give-up fees that apply?

Do you have a maximum commission that you allow a broker to charge?

If yes, what is that rate? Please include all fees.

Are investors required to open an account with a designated IB or Broker?

If yes, please provide details:

Describe any remuneration you may receive from this IB including space, quote equipment, etc:

List any brokerage firms that include you on their Approved List:

Do you have a list of recommended brokers?

If yes, please provide the list or the contact for accessing this list:

Compliance

Who is your Compliance Officer?

Describe duties of compliance officer:

Have there been any criminal proceedings against the firm or the principals?

If yes, please describe these proceedings:

Have there been any disputes against the firms or its principals?

If yes, please describe these disputes:

Has the NFA taken any action against the CTA or its principals?

If yes, please describe:

Has the CFTC taken any action against the CTA or its principals?

If yes, please describe:

Do you have any unresolved customer complaints?

If yes, please describe:

Account Opening & Closing Procedures

1. New Account Opening Procedures

Describe the procedures for an investor to open an account:

Describe how you enter a new account into the market:

2. Account Closing Procedures

What types of notification do you require from the client in order to liquidate an account?

Describe how you would liquidate an account:

Account Size & Notionalized Funding Requirements

Are you accepting new equity?

Minimum account size:

Do you accept Notional Funding?

If yes, what are your guidelines?

Do you trade account size or equity?

Do you notify the client when trading levels increase?

If yes, how?

Do larger accounts outperform smaller accounts?

If yes, why?

What, if any, equity cap do you expect?

Do you have other programs available?

Please briefly outline your available programs and how they differ:

Do you offer customized portfolios?

If yes, please describe:

Advisory Fees

Management Fee:

Payable: Monthly Quarterly

Incentive Fee:

Payable: Monthly Quarterly Annually

Do you have a high-water mark?

If yes, what?

Do clients pay incentive fees on interest earned?

Do you make up the management fee before charging an incentive fee?

Do you receive a portion of commissions?

If yes, please detail.

Are your fees negotiable?

Would you consider a performance only fee?

Brokerage Commissions

Round turns per Million:

Average commission of your current clients:

Give-up rates, if applicable:

Highest commission rate allowed:

Do you share in commissions?

Customer Reporting

What do you envision the role of a CTA vs. the role of a Broker in servicing a client's account?

Describe the type and frequency of reporting, if any, sent to clients?

Are you available to speak directly to clients?

Are you willing to send daily recaps to Customers?

What type of daily fluctuations can a customer expect to see in his account?

Describe how you keep clients informed of system modifications?

Describe how you keep clients informed of market/market sector changes/

Describe what steps you would take to keep customers informed if you were to approach a trading suspension level?

Trading Strategy & Overview

1. Trading Strategy

Describe your trading strategy:

2. System Overview

Provide an overview of your system:

3. Trading Philosophy

What is your trading philosophy?

4. Greatest Influences

What aspects of your life influence your trading the most?

The Benefits of Investing

Describe where your program fits into the universe of CTAs:

What do you feel a client would gain by investing in your program?

What do you feel a CPO would gain by investing in your program?

Do you feel your program can best be used as a stand-alone product or as part of a portfolio? Please elaborate:

Return & Risk Expectations

1. Targeted Return

Do you have an annual targeted return?

If yes, what?

2. Worst Expected Drawdown

What is your worst expected drawdown?

Is this greater than your current maximum drawdown?

How long would you anticipate the recovery period to be?

System Strengths, Weaknesses, and Modifications

In your opinion, what are the system's limitations?

In your opinion, what are the system's strengths?

Does the system have a long or short market bias?

List your best markets:

List your worst markets:

Describe any significant system modifications:

Do you anticipate any future system modifications?

If yes, please elaborate:

System Components

Are you primarily a systematic or discretionary CTA?

_____ % Systematic _____ % Discretionary

Are you primarily a trend follower or a non-trend follower?

_____ % Trend Follower _____ % Non-Trend Follower

Are you primarily sector specific or a diversified program?

Sector Specific Diversified

Do you use multiple systems?

If yes, how do these systems vary?

Describe your system:

- Trend Following
- Short Term Medium Term Long Term
- Counter Trend Following
- Statistical
- Chart Patterns
- Spreads
- Arbitrage
- Option Writing
- Reactionary
- Anticipatory
- Fundamental
- Other

If you have chosen other, please elaborate:

Markets Traded

Do you trade a Diversified Portfolio?

Do you trade a single Market or Market Segment?

List markets traded:

How do you choose which markets to trade?

Market Segment	Yes/No	Approximate % of Portfolio
Currencies	<input type="checkbox"/>	_____ %
Interbank	<input type="checkbox"/>	_____ %
Debt Instruments	<input type="checkbox"/>	_____ %
Metals	<input type="checkbox"/>	_____ %
Energies	<input type="checkbox"/>	_____ %
Stock Indices	<input type="checkbox"/>	_____ %
Stock Index Options	<input type="checkbox"/>	_____ %
Grains	<input type="checkbox"/>	_____ %
Softs	<input type="checkbox"/>	_____ %
Other Markets	<input type="checkbox"/>	_____ %

If you chose other, please elaborate:

Which market sector do you trade?

US Markets Only Non-US Markets Only Global Markets (US & Non US)

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AutumnGold has not compiled or reviewed the information contained in this report and makes no guarantee as to the accuracy of the information provided by the CTA.

Data

List data sources:

How do you ensure the accuracy of your data?

Indicate which of the following you consider:

- | | |
|--|--|
| <input type="checkbox"/> Overbought/Oversold | <input type="checkbox"/> Price Patterns |
| <input type="checkbox"/> Daily Prices | <input type="checkbox"/> Daily volume |
| <input type="checkbox"/> Open Interest | <input type="checkbox"/> Intra Day Data |
| <input type="checkbox"/> Price Volatility | <input type="checkbox"/> Spread Relationships |
| <input type="checkbox"/> Trading Levels | <input type="checkbox"/> Market Psychology |
| <input type="checkbox"/> Market Sentiment | <input type="checkbox"/> Fundamental Data |
| <input type="checkbox"/> Supply & Demand | <input type="checkbox"/> Macro / Micro Economics |
| <input type="checkbox"/> Trade Strength | <input type="checkbox"/> Trade Weakness |

Describe any other data that you take into consideration:

Research & Development

Do you conduct ongoing research?

If yes, please elaborate:

What is your research budget?

Track Record Details

Current Money under Management:

The following data is as of:

Total money under management:

Money under management in funds or pools:

Money under management in customer accounts:

Money under management in proprietary accounts:

Historic peak equity:

Date of historic peak equity:

If there has been a significant drop in equity please explain:

Historical data about Accounts:

The following data is as of:

Number of Profitable Open Accounts:

Number of Unprofitable Open Accounts:

Number of Profitable Closed Accounts:

Number of Unprofitable Closed Accounts:

Total number of accounts:

Number of accounts with less than \$250,000:

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Number of accounts in the \$1,000,000 to \$9,999,999 range:

Number of accounts \$10,000,000 and larger:

Account Demographics:

The following data is as of:

Size of smallest account:

Size of largest account:

Size of oldest account:

Starting date of oldest account:

Date of back testing:

Date of real time trading:

Back Office Procedures

Do you have a 24 hour trading operation?

How do you handle trading 24 hours a day?

Please describe your back office software:

Does your software independently track daily positions and equity?

Describe your back office operation:

Describe your order entry procedures:

Describe your order allocation system:

Describe your order allocation procedures:

Describe your "error" procedures:

If you are a discretionary trader, explain how trading is handled when traveling or on vacation.

Describe your back up / data recovery system:

Is there a readily accessible list of accounts & open positions should you be unable to access your office?

Please describe your disaster contingency plans should your office / trading room be inaccessible.

Reconciliation & Account Monitoring

How often do you reconcile market positions?

How often do you reconcile cash positions?

How do you review daily equity?

Describe how you monitor adherences to trading policies

Describe how you monitor notionalized accounts:

Do you monitor the overall portfolio or each individual account?

If applicable describe how you monitor individual accounts?

Track Record

Start Date of real-time Track Record for proprietary trading:

Start Date of real-time Track Record for client trading:

Who prepares your track record?

Have you had an NFA audit?

Indicate the method for compilation of your Track Record

- Time Weighted
- Average Daily Method
- OAT Account Method
- Fully Funded Subset
- Other

If you have chosen other please elaborate:

What is the average commission rate of your track record?

Are management fees and incentive fees deductions included in your Track Record?

Is interest included in your Track Record?

Does your Track Record reflect proprietary performance?

Is your Track Record audited?

If yes, by whom?

Risk Management

What is your average margin to equity ratio?

What is your maximum margin to equity ratio?

What is your minimum margin to equity ratio?

What is the maximum risk of a portfolio as a percent of account size?

What is your maximum risk per trade in dollars?

What is your maximum risk per trading as a percentage?

Do you add to profitable positions?

Do you add to losing positions?

Do you scale into positions?

Do you scale out of positions?

Describe how you scale into and out of positions.

How do you define risk?

Please provide an overview of your risk systems:

Outline your approach in handling market risk:

Outline your approach in handling trade risk:

Outline your approach in handling system risk:

Outline your approach in handling portfolio risk

Trading Account Size

Do you normally trade on equity or account size?

Is your track record calculated using account size or annualized compounded return?

Can the investor specify whether they want to be on equity or account size?

If you differentiate between open trade equity and closed profits when determining account size, please elaborate:

If you trade on equity please outline how you adjust trading size on the up side:

If you trade on equity please outline how you adjust trading size on the down side:

During periods of profitability, would you be willing to allow clients to liquidate positions and reenter the market on new positions only?

Please detail how you choose your initial position size.
How do you adjust trading levels once a position has been initiated?

Options

Do you trade options for profit?

Do you trade options to control risk?

Are you an option writer?

Please describe your option system and how you control the risk:

What is the greatest risk you anticipate trading options?

Order Entry and Stops

Describe your order entry system:

Do you put in stops when you initiate positions?

Describe your stop system:

Do you use a trailing stop to protect profits?

Describe how you adjust your trailing stops as your OTE increases:

Are your trailing stops adjusted to reflect market volatility?

If yes, describe your strategy:

How would you handle an unusual profit situation?

Are there any extraordinary circumstances where you will close a position?

Describe how and why you would reenter a position closed under extraordinary circumstances:

Are you using a reversal system?

If you are using a reversal system, what circumstances would cause you to be out of the markets?

Do you use price objectives?

If yes, describe your strategy:

Strategies for Difficult Markets

Describe the kind of market conditions that give you the most difficulty:

Describe how you will know when your system is not working:

How do you handle volatility?

Describe a scenario(s) that would cause you to reduce the number of contracts in a portfolio:

Do you ever override your system?

If yes, please elaborate:

Describe a scenario that would cause you to be entirely out of the markets.

Historical Drawdowns & Recovery Times

Percent of profitable months:

Average gain per month:

Average loss per month:

Largest monthly drawdown:

Date of largest monthly drawdown:

Recovery time of largest monthly drawdown:

Largest cumulative drawdown:

Date of largest cumulative drawdown:

Worst expected drawdown:

How does your worst or worst expected drawdown compare with your trading suspension level?

If your historical drawdown differs from your present worst expected drawdown, please explain the difference.

What was your worst single account loss?

What is your daily suspension level, if any?

How would you reenter the markets?

What is your monthly trading suspension level, if any?

How would you reenter the markets?

What is your cumulative trading suspension level, if any?

Are there any circumstances under which you would reenter the market?

How do you monitor these trading suspension levels?

Describe the changes you have made in your trading system since your worst drawdown:

Describe the changes you have made in your risk management system since your worst drawdown:

Proprietary Trading

Proprietary Trading:

Does the CTA trade for its own account?

If yes, how does the proprietary trading differ?

Do the principals trade for their own account?

If yes, how does the proprietary trading differ?

If the CTA or its principals trade both proprietary and client accounts under the same program, please outline order entry and price allocations procedures.

Is proprietary performance included in the Disclosure Document?

Growth

Are diminished returns expected as money under management increases?

Are position limit problems anticipated as money under management grows?

If yes, describe your strategy to overcome this problem:

As your money under management grows do you anticipate slippage to be a problem?

If yes, describe your strategy to overcome this problem:

Is your back office prepared for a rapid increase in money under management?

If yes, please elaborate.

Do you have a 5 year business plan?

If so, please briefly outline.

Additional Comments

Please provide any additional comments that you may have.