

FUTURES TRUTH COMPANY (FTC)

DISCLOSURE DOCUMENT

The date of this Disclosure Document is January 19, 2012

FTC is a Delaware corporation registered with the Commodity Futures Trading Commission as a Commodity Trading Advisor and a Commodity Pool Operator.

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SAM 101
MS4
MS 4 Institutional

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF THE COMMODITY TRADING ADVISOR DISCLOSURE.

CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM.

TO BE ELIGIBLE TO INVEST IN THIS PROGRAM YOU MUST BE CONSIDERED A QUALIFIED ELIGIBLE PARTICIPANT UNDER THE TERMS AND CONDITIONS DEFINED BY THE COMMODITY FUTURES TRADING COMMISSIONS COMMODITY EXCHANGE ACT REGULATION 4.7. FOR A FULL EXPLANATION OF WHAT IS REQUIRED TO BE AN ELIGIBLE PERSON UNDER THE ACT PLEASE CONTACT FTC DIRECTLY.

No person is authorized by Futures Truth Co. to give any information not contained herein.

All prospective clients who wish to engage Futures Truth Company as their Commodity Trading Advisor should read the Disclosure Document. It provides important information about commodity trading and about John Hill and his affiliates.

RISK DISCLOSURE STATEMENT

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

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

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

THE PLACEMENT OF CONTINGENT ORDERS BY YOU OR YOUR TRADING ADVISOR, SUCH AS A "STOP-LOSS" OR A "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 10, 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 12.

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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THE COMMODITY TRADING ADVISOR

Futures Truth Company., the Commodity Trading Advisor (“CTA” or “FTC”) is registered under the Commodity Exchange Act, as amended (the “CE Act”), as a commodity trading advisor and pool operator, and is a member of the National Futures Association (“NFA”); but such registration and membership does not imply that the Commodity Futures Trading Commission (“CFTC”) or the NFA have approved the CTA’s qualifications to provide the advisory services described herein. The main business office of the CTA is 294 N. Hillside Rd., Hendersonville, NC, 28791 (where all business records are kept.) Its telephone number is (828-697-0273). E-Mail address is ftruth@aol.com. The effective date of registrations for the CTA was May 1991. Registered as CPO in Feb. 1995 and a member of NFA in Oct. 2003.

John R. Hill owns 34% percent of the stock of the CTA, Holliston Hurd 33%, and Lundy Hill 33%. See page 16 for past performance of the CTA.

The Branch office is located at 106 S. Mather Road, Suite 100, Darien, CT 06820, phone number (203-662-0868). Holliston Hurd is the branch office manager, hilllh@aol.com.

FTC PROGRAMS – SAM 101, MS4, MS4 Institutional

Futures Truth has been tracking and developing trading systems since 1985. A natural outgrowth of this is to offer programs which trade a number of these systems. The FTC methodology is based on results from this extensive research.

Commodity traders generally rely on either fundamental or technical analysis, or a combination of both techniques, in making trading decisions. Fundamental analysis looks at factors external to the trading market such as general economic factors, anticipated world events, and supply and demand factors in order to predict future prices. A technical trading system, in contrast, normally generates buy and sell signals based upon a study of actual daily, weekly and monthly price fluctuations, volume variations and changes in open interest, utilizing charts and/or computers for analysis.

The, **SAM101**, is offered as a single strategy with an investment level \$200,000. The methodology is short term in nature and utilizes counter trend and momentum analysis. Positions are held for an average of 2 to 5 days. The portfolio’s targeted return to risk ratio is estimated to be two to one. The

objective is to deliver returns of approximately 15-20% per year with a targeted drawdown of 10-15%.

The **MS4** is a group of four proprietary trading strategies that primarily utilize technical analysis. The program was developed through extensive computer research and analysis of chart patterns. The Program is a system that incorporates a portfolio of diverse mechanical trading systems in futures and options in futures. The Program could be characterized as a system that incorporates trend and counter-trend strategies or systems. The CTA reserves the right to override the system at any time as it sees fit or as warranted by adverse market conditions.

The methodology is short term in nature and positions are held an average of 2 days to 2 months.

The **MS4 Institutional** has a lower targeted return and risk parameter.

AA5 is no longer offered.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. NO REPRESENTATION IS MADE THAT AN ACCOUNT IS LIKELY TO ACHIEVE RESULTS SIMILAR TO THOSE SHOWN IN ANY OF THE PERFORMANCE RECORDS IN THIS DOCUMENT.

General

All programs utilize technical trading techniques that generate buy and sell signals with a money management overlay system. The CTA believes that this money management system utilized on a diversified portfolio of contracts and systems is the most effective way to control the risk of trading futures. The asset allocation process is a dynamic process that requires constant review. Assets are reallocated on a periodic basis as the CTA deems it necessary.

The Programs will target an acceptable draw-down and desired return based on the investor's investment criteria and size of the investor's account. The investor's investment criteria include investment goals, desired volatility level, market diversification, and acceptable risk. However, there is no assurance that investment criteria can be achieved.

MARKETS TRADED

The Futures Truth Programs trade a number of US exchange traded futures contracts. This includes but is not limited to futures contracts such as: Financials, Currencies, Stock Indexes, Precious Metals, Grains, Meats, Metals, and Cotton. The programs do not trade options or futures on foreign exchanges.

ACCOUNT SIZE

The minimum account size recommended by the CTA for the SAM 101 Program is \$200,000, MS4 Program is \$500,000 and the MS4 Institutional Program is \$1,000,000. The money management system is not as effective and cannot be utilized in the same manner on smaller accounts. The CTA reserves the right to accept smaller accounts and accounts that are notionally funded.

If an account's equity reaches forty percent (40%) of its original equity (plus additions, less withdrawals) at the close of trading on any business day, the CTA will liquidate all open positions in the account and will stop trading activity in the account. Of course, there can be no assurance that all open positions can be liquidated without sustaining further losses or that the CTA will be able to limit losses through this or any other trading policy.

To minimize losses, the CTA has adopted a trading policy of risk management. Although the CTA intends to follow this policy, as a matter of overall trading strategy, it reserves the right to modify this policy, in whole or in part, without notice to the client. The decision to modify this policy rests in the sole discretion of the CTA and this may not be applied to the same market conditions in a consistent manner.

In short, the CTA will use diverse analytical tools and disciplined money management techniques to trade the Program. No assurance can be given that the Futures Truth Program will produce profits for the client's account. Since the trading methods utilized by the CTA are proprietary and confidential, the above discussion is of a general nature and is not intended to be exhaustive.

Research continues on trading techniques. It is facilitated by use of a large and sophisticated commodity testing facility. Systems may be tested using everything from "tick-by-tick" data to daily and weekly market action. The improvements are incorporated into our basic programs as they are developed.

FUTURES COMMISSION MERCHANTS AND INTRODUCING BROKER

A client must execute an investment advisory agreement (the “Investment Advisory Agreement”) with the CTA and establish an account with a Futures Commission Merchant (FCM) or an Introducing Broker (IB). A Client is free to choose the FCM and/or IB of his choice. Clients are required to use an FCM but the use of an Introducing Broker (IB) is optional.

Under the terms of the Investment Advisory Agreement, the CTA will have exclusive authority to make all trading decisions for the account on behalf of the client and to instruct the FCM to buy, sell, spread, trade, hold or take other action with respect to the positions held by the account. The FCM will provide each client a confirmation of each trade and a month-end and year-end summary in accordance with its normal practice.

PERSONAL ACCOUNTS

The CTA and its principals may trade futures for their own accounts. See conflict of interest section for further clarification.

BUSINESS BACKGROUND

Holliston Hurd – Managing Director in Charge of Marketing - As president and a principal of Hill Financial Group (HFG) from October 12, 1993 – September 2010, Ms. Hurd managed significant assets, totaling \$177 million, in the late 1990s. HFG is a Delaware corporation. Ms. Hurd became an AP of the firm May 15, 1989. She is known for her work in systematic trading strategies and research papers in chart analysis. Ms. Hurd became a Principal of FTC as of May 29, 2008 and became a Branch Office Manager of FTC on March 6, 2008, and an Associated Person of FTC on November 30, 2004. She has been an associate member of the NFA since August 1, 1985. She handles all marketing and distribution for FTC.

John R. Hill Sr. is a principal as of May 10, 1994 and an AP as of May 2, 1994 of Futures Truth Company. Mr. Hill founded Commodity Research Institute (CRI) in 1971 and is an AP as of April 17, 2000 and a principal as of October 31, 1994. CRI is a North Carolina corporation registered with the Commodity Futures Trading Commission as an Introducing Broker (IB). The CTA, Futures Truth

Company, was organized by Mr. Hill in the late 1985. This is an organization devoted to truth in advertising and promotions of trading systems and reducing widespread plagiarism of systems. Mr. Hill was an AP of Hill Financial Group, a CTA, from March 2, 2004 until September 13, 2005. Mr. Hill provides research and oversees day to day business operations for FTC and CRI. He acts as a consultant for HFG.

George Pruitt has been the Head of Research and Development for FTC since December 1994. He was instrumental in the development of the technical system testing platform and software, *Excalibur*. With John Hill, Mr. Pruitt co authored several books on technical trading including The Ultimate Trading Guide and Building Winning Trading Systems with TradeStation. Mr. Pruitt became a principal of FTC as of December 17, 2008 and an Associated Person as of December 1, 1994. He is the Head of the Trading desk. He has been an Associated Person with Commodity Research Institute since July 29, 1993.

Lundy Hill has been involved in the futures industry since the early 1980s and became a principal of FTC as of December 17, 2008. Mr. Hill is the president and also a principal of Commodity Research Institute as of February 11, 1992. Mr. Hill became a branch manager as of November 22, 1991, and an associated person as of November 12, 1991. Mr. Hill is the president and sole owner of Stafford Trading Company (STC), a Delaware corporation registered with the Commodity Futures Trading Commission as a publishing CTA. His duties include the day to day operations of the firm. No client accounts are managed. Mr. Hill became an AP of STC as of August 29, 1991 and a principal as of August 29, 1991.

FUTURES TRUTH

Futures Truth Company was started in 1985 as a nonprofit organization to show the truth of actual trading results of publicly offered trading systems. FTC is a registered CTA that saw that a need existed to show performance on systems after they are released for sale to the public. It was formally organized as a regular Delaware Corporation on January 25, 1988. Presently, FTC sells quarterly reports which show hypothetical past performance of trading systems after they are released for sale to the public. It also sells detailed reports on system performance and does computer-consulting work for clients. FTC purchased 100% of the stock of Quantratech, Ltd., a registered CTA, on August

25, 1994. The name of the CTA was changed to Futures Truth Company on August 25, 1994.

There have been no material, administrative, civil, or criminal actions, filed, pending or concluded against the Trading Advisor or any principals therefore within the past five (5) years.

PERFORMANCE OF THE CTA

The CTA has 6 managed accounts on the SAM 101 Program which began on October 1, 2007. See page 16, Table A.

The CTA has 13 managed accounts on the MS4 Program which began October 1, 2007 on the MS4 program: see page 17, Table B.

Table C, page 18 shows the performance of the MS4 Institutional program. The CTA has one managed account on this program.

“Drawdown” means losses experienced by the trading program over a specified period of time.

Monthly rate of return is computed by dividing net performance by the beginning NAV plus time weighted additions and redemptions.

Year End Rates of return: Yearly returns are summed not in VAMI format, VAMI = the value of a hypothetical \$1,000 investment made at the beginning of the year.

“Proforma” rates of return are computed utilizing uniform fees for all accounts.

FEES

The CTA receives an Incentive fee of 5-25% of New Net Profits payable monthly on all accounts. “New Net Profits” means the excess, if any, of: (i) the New Asset Value (as defined below) of the Account as of any Valuation Date, over (ii) the previous high Net Asset Value of the Account as of the most recent Valuation Date for which an incentive fee was payable, plus any additions to and minus any withdrawals from the Account effected after such previous Valuation Date. For purposes of computing New Net Profits “Valuation Dates” are (i) the date the Account commences trading, (ii) the last business day of the month in which the Account commences trading, and (iii) the last business day of each calendar month thereafter. Any monthly losses are carried over to any

succeeding month and are deducted from net profits prior to determining New Net Profits. New Net Profits does include interest income earned by the accounts and open trade equity. These fees are retained by the CTA. The client may pay fees on open trade equity, which is not subsequently realized. It is possible, therefore, that a client could pay fees to the CTA and still experience net losses in their account.

Accounts are charged a monthly management fees of 0 – 2.0% per year of the accounts monthly ending Net Asset Value. “Net Asset Value” means the Accounts total assets (including funds committed and/or notional funds plus open trade equity) less total liabilities (determined on the basis of generally accepted accounting principles consistently applied). Notional funds are set at the beginning of each month with profits/ losses adjusted accordingly to reflect the notional funding (profits and losses will be calculated on the actual cash in the account plus notional funds or the total nominal amount). These fees are retained by the CTA.

CONFLICTS OF INTEREST

Proprietary Trading

The principals of Futures Truth Company (FTC) currently trade commodity interests for their own personal accounts. Therefore, there is a conflict of interest between the individual client's interest and the principal's interest. FTC will not include personal accounts with client accounts. FTC will use a standard allocation procedure, which will not favor any one-client account. A client of FTC may inspect the proprietary trading records at the main office.

Multiple Accounts

Futures Truth Company will advise more than one account. Therefore, there is a conflict of interest between the individual client's interest maintaining a larger position in a specific commodity and the CTA's interest in maintaining a smaller position in an individual client's account in order to also provide positions in the specific commodity to other accounts under management and the CTA's personal account.

In the execution of large orders for client accounts, there will be a range of prices over which the transaction is completed. Therefore, there exists a conflict of interest between one client receiving a better price and another client account receiving a worse price. Under these circumstances, a standard allocation

procedure, in accordance with NFA rules, will be used in order to ensure fairness and neutrality. The firm uses the high to low method, where the highest numerical account gets the highest price and the lowest numerical account gets the lowest price. In the case of a buy order, the top account will get the best price and the bottom account will get the worst price. In the case of a sell order, the top account will get the worst price and the bottom account will get the best price.

There is a risk factor relating to position limits where certain markets would be eliminated if the firm reached position limits. The firm would not be close to those limits until assets well above \$500 million were attained. The CFTC and the exchanges have established position limits on the maximum net long or short position which any person may hold or control in futures contracts. All accounts controlled by the Advisor are combined for speculative position limit purposes. If a position in those accounts were to approach the level of the particular speculative position limit, such limits could result in the Advisor modifying its trading decision or liquidating certain futures positions.

Incentive Fee - Because the CTA charges an incentive fee, there is a conflict of interest to over trade or put on riskier positions in an attempt to boost profits of which the CTA receives a portion of.

Commodity Research Institute (IB)

John R. Hill is a principal of Commodity Research Institute (CRI). This does represent a conflict of interest if a client selects Commodity Research Institute as its broker. Commodity Research Institute will not charge a commission rate in excess of \$50.00. Should a client choose to utilize CRI as its IB, all commission rates are negotiable. There is the possibility of over trading. There is an incentive for over trading should a client utilize CRI as its IB.

Futures Commission Merchant

Futures Truth Company will not receive any compensation from the Futures Commission Merchant with whom a client has an account. Therefore, there is not a conflict of interest between the FCM and the CTA. The number of trades executed will be a function of the Trading Program.

MISCELLANEOUS

A client may close his account at any time by notifying both the CTA and the FCM in writing. Also a client may add to his account at any time by sending funds to the FCM, or withdraw funds by notifying the FCM or the CTA of his desire to do so. This notice provision does not prevent the client from withdrawing funds from the FCM. The FCM will provide each client a confirmation of each trade and a month-end and year-end summary in accordance with its normal practice.

ADDITIONAL RISK FACTORS

Prospective customers should consider all of the risk factors described below and elsewhere in this Disclosure Document before participating in the FTC Program.

Commodity Trading Is Speculative and Volatile

The commodity interest process is highly volatile. Price movements for commodity interests are influenced by, among other things: changing supply and demand relationships; weather; agricultural, trade, fiscal, foreign political and economic events and policies; changes in national and international interest rates of inflation; currency devaluations; and emotions of the marketplace. None of these factors can be controlled by FTC and no assurance can be given that FTC's advice will result in profitable trades for a participating customer or that a customer will not incur losses.

Commodity Trading Is Highly Leveraged

You can lose more capital than your initial investment due to leverage. Leverage allows you to trade a higher multiple of the actual cash that you may invest in an account. Commodity trading is highly leveraged. The low margin deposits normally required in commodity interest trading (typically 2% to 15% of the value of the contract purchase or sold) permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses to the investor. For example, if at the time of purchase 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deductions for brokerage

commissions. A decrease of more than 10% would result in a loss of more than the total margin deposit. Thus, like other leveraged investments, any trade may result in losses in excess of the amount invested.

Commodity Trading can be Illiquid

It is not always possible to execute a buy or sell order at the desired price, or to close out an open position, due to market illiquidity. Such illiquidity can be caused by intrinsic market conditions or it may be the result of extrinsic factors like the imposition of daily price fluctuation limits. Relatively small movements in price can result in substantial losses for the investor.

Participating Customer's FCM May Fail

Under CFTC regulations, FCM's are required to maintain customers' assets in a segregated account. Even if funds are segregated, clients are subject to the risk of loss of their funds. If a participating customer's FCM fails to do so, the customer may be subject to a risk of loss of the funds on deposit with the customer's FCM in the event of bankruptcy. In addition, under certain circumstances, such as the inability of another customer of the FCM or the FCM itself to satisfy substantial deficiencies in such other customer's accounts, a participating customer may be subject to a risk of loss of the funds on deposit with the customer's FCM. In the case of any such bankruptcy or customer loss, a participating customer might recover only a pro-rata share of all property available for distribution to all the FCM's customers. Futures Truth Company or principals thereof will not be held liable for the loss of client funds resulting from failure of the FCM. In the event of FCM bankruptcy clients may receive a pro rata share of their funds or none at all.

Computer Trading Risks

This program relies on computerized trading technologies. Should there be a failure of some nature in the systems or facilities running the systems, significant losses may occur.

Futures Truth Company Protection Clause

Futures Truth Company and any of its employees or affiliates shall not in any way be personally liable to the client or to any other parties in connection with any orders for the purchase, sale, spread or trading of futures on behalf of

the client or for any other actions taken by them in connection with the management of an account which is not the result of fraud or willful, wanton or reckless misconduct on the part of the CTA. All spreads, purchases, sales and trades made in furtherance of the Investment Advisory Agreement and all expenses and losses of the account shall be for the account of and at risk of the client.

SPECIAL DISCLOSURE FOR NOTIONALLY FUNDED ACCOUNTS
ACCOUNT FUNDING MATRIX

(1) Actual Rate of Return	(3) Rates of Return Based on Various Funding Levels		
-60.00%	-60.00%	-120.00%	-300.00%
-40.00%	-40.00%	-80.00%	-200.00%
-20.00%	-20.00%	-40.00%	-100.00%
20.00%	20.00%	40.00%	100.00%
40.00%	40.00%	40.00%	100.00%
60.00%	60.00%	120.00%	300.00%
	100.00%	50.00%	20.00%
	(2) Funding Level		

Footnotes to Matrix

- (1) This column represents a hypothetical range of actual rates of return for fully funded accounts reflected in the accompanying performance tables.
- (2) This represents the percentage of actual funds divided by the fully funded trading level.
- (3) This represents the rate of return experienced by a customer at various levels of funding traded by the trading advisor. The rates of return for accounts that are not fully funded are inversely proportional to the actual rates of return based on the percentage level of funding.

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

FURTHER CASH DEPOSITS WOULD BE REQUIRED FROM YOU OVER THE COURSE OF YOUR PARTICIPATION IN THE COMMODITY TRADING ADVISOR'S PROGRAM.

YOU ARE REMINDED THAT THE ACCOUNT SIZE YOU HAVE AGREED TO IN WRITING, THE NOMINAL ACCOUNT SIZE, IS NOT THE MAXIMUM POSSIBLE LOSS THAT YOUR ACCOUNT MAY EXPERIENCE. YOU SHOULD CONSULT THE ACCOUNT STATEMENTS RECEIVED FROM YOUR FUTURES COMMISSION MERCHANT IN ORDER TO DETERMINE THE ACTUAL ACTIVITY IN YOUR ACCOUNT, INCLUDING PROFITS, LOSSES AND CURRENT CASH 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 ACCOUNT FUNDING MATRIX ON PAGE 14 MAY BE USED TO CONVERT THE RATES-OF-RETURNS ("RORS") IN THE PERFORMANCE TABLE TO THE CORRESPONDING RORS FOR PARTICULAR PARTIAL FUNDING LEVELS.
- (4) MANAGEMENT FEES WILL BE CHARGED ON THE NOMINAL ACCOUNT SIZE. *

DUE TO NOTIONAL FUNDING, GAINS AND LOSSES CAN BE MAGNIFIED.

*MANAGEMENT FEES ARE CHARGED ON THE TOTAL CASH AND NOTIONAL AMOUNT, THE NOTIONAL AMOUNT WILL REMAIN CONSTANT, COMBINED OR THE TRADING LEVEL OF THE ACCOUNT. For example and account that has a cash balance of \$100,000 but is trading at a \$200,000 level representing \$100,000 notional will be charged a management fee on the trading level of \$200,000. Therefore, a 2% annual management fee is equivalent to 4% of actual net assets in an account if an account is 50% notionally funded.

Proforma Results of the SAM 101 Program – Table A

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Month	2011	2010	2009	2008	2007
Jan.	-0.13	7.55	0.18	3.21	
Feb	0.24	-2.56	2.95	-1.43	
Mar	6.29	-7.09	3.17	2.68	
April	-2.39	5.87	-1.61	-4.39	
May	0.33	4.31	5.00	9.06	
June	4.71	2.71	2.00	0.59	
July	-1.11	-3.68	-5.79	0.48	
Aug	3.48	1.64	-0.42	9.74	
Sept	-2.09	2.23	-6.44	-1.37	
Oct	-5.11	-4.53	5.85	2.49	-0.39
Nov	0.05	-0.75	2.83	-0.29	11.22
Dec.	-3.62	-2.16	-6.00	10.37	4.94
YEAR	0.53%	3.54%	1.72%	31.14%	15.77%

Draw down: Losses experienced by the trading program over a specified period of time. **Proforma Fees reflected:** \$7 round turn commission, 2% Mgt Fee, 20% Incentive Fee.

Program began trading customer funds as of April 2009.

Name of the CTA:	FTC (Futures Truth Company)
Name of the Trading Program:	SAM 101
Inception of trading by the CTA:	May 1991
Inception of trading on the offered program, SAM 101:	October 2007
Total assets traded by the CTA:	\$8,600,000 (Actual and Notional)
Total Assets traded pursuant to the program:	\$600,000 (Actual and Notional)
Worst Monthly Percentage Drawdown:	-7.09% (March 2010)
Worst Peak to Valley Drawdown:	-12.56% (June 2009 – Mar 2010)
Number of accounts managed on this program:	8
Number of accounts closed:	13
Number of accounts closed with a loss:	13 (-2.7% to -15%)
Number of accounts closed with a profit:	0

Proforma Results of the MS4 Program – Table B

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Month	2011	2010	2009	2008	2007
Jan.	-1.04	3.86	3.48	0.18	
Feb	-0.94	-2.52	-2.41	-2.56	
Mar	1.09	-4.07	-0.8	2.85	
April	0.1	-0.38	-4.26	-1.17	
May	-0.77	8.57	10.07	4.82	
June	3.15	2.7	0.77	-0.13	
July	-1.20	0.18	-3.97	1.97	
Aug	0.88	3.57	2.83	8.05	
Sept	-0.38	0.75	-4.05	4.07	
Oct	-3.34	0.65	1.3	6.99	0.41
Nov	-1.71	1.92	0.18	2.5	5.48
Dec.	-1.93	3.45	-2.22	15.6	3.55
YEAR	-6.09%	18.68%	0.92%	43.17%	9.44%

Draw down: Losses experienced by the trading program over a specified period of time. **Proforma Fees reflected:** \$7 round turn commission, 2% Mgt Fee, 20% Incentive Fee.

Name of the CTA:	FTC (Futures Truth Company)
Name of the Trading Program:	MS4
Inception of trading by the CTA:	May 1991
Inception of trading on the offered program, MS4:	October 2007
Total assets traded by the CTA:	\$8,600,000 (Actual and Notional)
Total Assets traded pursuant to the program:	\$7,000,000 (Actual and Notional)
Worst Monthly Percentage Drawdown:	-4.26% (April 2009)
Worst Peak to Valley Drawdown:	-9.22% (June 2009 – April 2010)
Number of accounts managed on this program:	7
Number of accounts closed:	4
Number of accounts closed with a loss:	4 (-2.5% to -6.6%)
Number of accounts closed with a profit:	0

Proforma Results of the MS4 Institutional Program – Table C

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Month	2011	2010	2009	2008	2007
Jan.	-0.35	1.29	1.16	0.06	
Feb	-0.31	-0.84	-0.80	-0.85	
Mar	0.36	-1.36	-0.27	0.95	
April	0.10	-0.13	-1.42	-0.39	
May	-0.26	2.86	3.36	1.60	
June	1.05	0.90	0.26	-0.04	
July	0.34	0.06	-1.32	0.65	
Aug	0.29	1.19	0.94	2.68	
Sept	-0.13	0.25	-1.35	1.35	
Oct	-1.11	0.22	0.43	2.33	0.13
Nov	-0.57	0.64	0.06	0.83	1.82
Dec.	-0.64	1.15	-0.74	5.20	1.18
YEAR	-1.23%	6.23 %	0.31 %	14.37%	3.13%

Draw down: Losses experienced by the trading program over a specified period of time. **Proforma Fees reflected:** \$7 round turn commission, 2% Mgt Fee, 20% Incentive Fee.

Name of the CTA:	FTC (Futures Truth Company)
Name of the Trading Program:	MS4 Institutional
Inception of trading by the CTA:	May 1991
Inception of trading on the offered program, MS4:	October 2007
Total assets traded by the CTA:	\$8,600,000
	(Actual and Notional)
Total Assets traded pursuant to the program:	\$1,000,000
	(Actual and Notional)
Worst Monthly Percentage Drawdown:	-1.42% April 2009
Worst Peak to Valley Drawdown:	-3.08% June 2009-April 2010
Number of accounts managed on this program:	1
Number of accounts closed:	0
Number of accounts closed with a loss	0
Number of accounts closed with a profit	0

CLIENT ACKNOWLEDGMENT

The undersigned hereby acknowledges receipt of the foregoing Disclosure Document dated January 19, 2012 relating to Futures Truth Company Program for Futures pursuant to which the CTA, Futures Truth Company, will direct the undersigned's account. The undersigned further acknowledges that he has selected the clearing broker and/or IB listed below to act as the Futures Commission Merchant through which he will open and maintain his account.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURES RESULTS. YOU CAN LOSE MONEY TRADING FUTURES, THUS, THINK CAREFULLY BEFORE YOU INVEST IN A POOL OR MANAGED ACCOUNT.

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF THE COMMODITY TRADING ADVISOR DISCLOSURE.

CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM.

TO BE ELIGIBLE TO INVEST IN THIS PROGRAM YOU MUST BE CONSIDERED A QUALIFIED ELIGIBLE PARTICIPANT UNDER THE TERMS AND CONDITIONS DEFINED BY THE COMMODITY FUTURES TRADING COMMISSION'S COMMODITY EXCHANGE ACT REGULATION 4.7. FOR A FULL EXPLANATION OF WHAT IS REQUIRED TO BE AN ELIGIBLE PERSON UNDER THE ACT PLEASE CONTACT FTC DIRECTLY.

FCM and/or IB Selected to trade account: _____

Date

Client's Signature

Program Chosen to Trade:

SAM 101

MS4

MS 4 Institutional

CLIENT INFORMATION QUESTIONNAIRE

TO BE ELIGIBLE TO INVEST IN THIS PROGRAM YOU MUST BE CONSIDERED A QUALIFIED ELIGIBLE PARTICIPANT UNDER THE TERMS AND CONDITIONS DEFINED BY THE COMMODITY FUTURES TRADING COMMISSIONS COMMODITY EXCHANGE ACT REGULATION 4.7. FOR A FULL EXPLANATION OF WHAT IS REQUIRED TO BE AN ELIGIBLE PERSON UNDER THE ACT PLEASE CONTACT FTC DIRECTLY.

Under Rule 2-30 of the National Futures Association, Futures Truth Co. is required to obtain specified information about individually managed account clients. Please assist us by completing the information requested below:

PLEASE TYPE OR PRINT

Type of Account:

Speculative Individual Sole Proprietor Tenants in
Common
 Joint Tenancy Corporate General Partnership Trust
 Ltd. Partnership

NOTE: For all types of accounts listed above, except Individual or Sole Proprietor accounts, please attach agreement, amendment, resolution or offering documents.

Client Name: _____ Date of Birth: _____

Home Address (street, city, state and zip): _____

Home Number (____) ____-____ SS# _____

Principal Occupation or Business/Years Employed: _____

Business Address (street, city, state and zip): _____

Office Number: (____) ____-____

Annual Gross Income for Previous Two Years: \$_____ and \$_____,
respectively.

Estimated Annual Income for Current Year: \$_____

Estimated Aggregate Net Worth: \$_____

Liquid Net Worth: \$ _____ Bank Reference: _____

Previous Investment Experience:

Stocks/Bonds	___ Yes	___ No	___ # of years
Funds	___ Yes	___ No	___ # of years
Options	___ Yes	___ No	___ # of years
Commodity Futures	___ Yes	___ No	___ # of years
Limited Partnerships	___ Yes	___ No	___ # of years

Please describe any previous investment futures experience:

Do you understand this investment program is only suitable for risk capital?

___ Yes ___ No

Do you understand that your account should be considered a long-term investment? (1-2 years)? ___ Yes ___ No

Who has contacted you with respect to the service offered by Futures Truth Company?

Have you received a Disclosure Document? ___ Yes ___ No

Have you been given anything written or verbal that is contrary to what is in the Disclosure Document? ___ Yes ___ No.

If yes, please explain:

Have all questions which you may have had concerning a managed commodity trading account been answered to your full satisfaction? ___ Yes ___ No.

If no, please explain:

Signed: _____ Dated: _____

(If client chooses to keep certain of the items confidential, please mark those items, sign and date the form).

NOTIONAL FUNDS AGREEMENT

The undersigned hereby acknowledges that he/she has committed actual funds of cash and/or marketable securities in the total amount of \$_____ to a managed account program directed by Futures Truth Co. a registered commodity trading advisor ("CTA"). In addition, the undersigned has instructed Futures Truth Co. to manage the account #_____ under the consideration of an additional \$_____ in notional funds. The level of trading is determined by the sum of the actual funds committed to the trading program and the notional funds.

The undersigned hereby authorizes fees charged to the account as determined in the FTC Managed Account Agreement to apply to actual funds as well as notional funds.

PROGRAM TRADED _____

Date _____ Client Signature _____