DISCLOSURE DOCUMENT OF CHELTON AB

MANAGED TRADING ACCOUNT PROGRAMS – CHELTON AB

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NOTICE

Chelton AB (Chelton) is not a Commodity Trading Advisor ("CTA") under USA law but is a financial institution under Swedish law. This document has been prepared about the private offer to a potentially limited number of investors. Chelton's Managed Trading Account (''MTA'') shall only be disseminated to select little private persons or entities and is not offered to the general broad-spectrum public investor profile, nor is the MTA suitable for every investor.

The participation in the MTA in certain jurisdictions may be restricted by Chelton or any of their FCMs (and their respective jurisdictions) in which Chelton trades. Potential investors are required to inform themselves about and observe any such restrictions. As such, this document does not constitute, and may not be used for, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Prospective investors should not construe the contents of this document as legal, tax or financial advice. Each prospective investor should consult his professional advisors on (a) the legal requirements within the country of their residence for investing in the MTA, (b) any foreign exchange restrictions that may be relevant to him and (c) the income and other tax consequences that may be relevant to participation in the MTA. The MTA is intended for, but not limited to, the professional or sophisticated investor, an experienced investor, or an ECP (eligible contract participant) who can afford the risks inherent in this type of investment. An investor should consider an investment in the MTA as speculative and high-risk, and an investment in the MTA should not constitute any investor's sole or principal holding.

NO GLOBALLY RECOGNIZED REGULATORY BODY OR COMMISSION HAS PASSED UPON THE MERITS OF PARTICIPATING IN THIS TRADING PROGRAM, NOR HAS ANY SUCH GLOBALLY RECOGNIZED REGULATORY BODY OR COMMISSION PASSED ON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT. THE INFORMATION AND OPINION CONTAINED HEREIN AT ANY TIME DO NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME AFTER THE DATE SHOWN BELOW IN THE FOOTER. THIS DISCLOSURE IS NOT TO BE DISTRIBUTED UNDER ANY CIRCUMSTANCES OTHER THAN BY THOSE AUTHORIZED TO DO SO BY CHELTON.

RISK DISCLOSURE STATEMENT

THE RISK OF LOSS IN TRADING FOREIGN EXCHANGE 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 AUTHORIZE SOMEONE ELSE TO TRADE FOR YOU, YOU SHOULD BE AWARE OF THE FOLLOWING: IF YOU PURCHASE A SPOT FOREX CONTRACT, YOU MAY SUSTAIN A TOTAL LOSS OF ALL TRANSACTION COSTS.
SUPPOSE YOU PURCHASE OR SELL A SPOT FOREX CONTRACT. IN THAT CASE, 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 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 A MARKET MAKES A "LIMIT MOVE."

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

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

THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN FOREX 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 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 A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY CHELTON.

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

CHELTON DOES NOT ACCEPT FUNDS IN THEIR NAME FROM CLIENTS FOR TRADING FOREX. 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

GENERAL

Chelton is currently managing trading programs for qualified investors (“Client(s)”). Chelton trades foreign exchange contracts offered by their FCM/Broker/Bank for themselves and their clients.

Since speculative trading in these Alternative Investments presents the risk of substantial losses, only persons knowledgeable enough with high incomes and the ability to absorb such losses should consider participating in these trading programs. This Disclosure Document describes the trading management services offered by Chelton and the risks associated with them.

THE ADVISOR

Chelton AB is authorised to engage in the business activity of a financial intermediary and use investments as an asset manager or investment advisor.

Chelton AB is a registered financial institution with the Swedish Financial Supervisory Authority, Finansinspektionen, under ID no. 70413

BUSINESS NICHE AND EXPERIENCE

Chelton specialises in managed trading in the Spot Forex market. Chelton includes a broad network of professionals with extensive practical experience and formal education in the financial and trading industry. The company has ample experience as investors and traders, brokers/dealers, money managers, investment consultants, designers of trading systems, analysts, and educators. Chelton works very closely with multiple stakeholders in the industry.

Chelton focuses extensively on research and development and the ongoing study of capital markets, hence the constant improvement of the investment process. Therefore, Chelton devotes much of their efforts, experience and resources to;

a) Seeking out, developing, and securing access to the highest calibre of investment opportunities in the alternative investments trade and
b) Bringing these opportunities to their clients.

Chelton's role is that of an Asset Manager, Investment Advisor, Fund Manager, Introducing Broker and primary developer and stakeholder of trading programs and strategies.

MANAGEMENT AND ADMINISTRATION

Chelton's Board of Directors shall administer the MTA. The function of Chelton's Director(s) is to conduct the company's business operations and review and be responsible for the company's activities. The Director(s) will always act and rely upon the advice of its stakeholders, investment advisors, traders and financial consultants as appointed. The company's voting shareholders elect Chelton's Director(s) to serve indefinitely. The Director(s) will serve until their resignation, death or removal.

THE TRADING PROGRAMS

STRATEGIES

Choose from

- Alternative I
- Balanced Compounding
- Currency Alpha
- Currency Overlay
- Currency Sigma
- Opportunity

Strategy reports are available upon request: https://cheltonwealth.com/contact/

THE COMMODITY OR FUTURES OR FOREIGN EXCHANGE MERCHANT (BROKER)

The primary brokerages where the MTA trades are in highly reputable jurisdictions and regulated environments. Although Chelton is not locked into any one particular entity as its Futures Commission Merchant or Foreign Exchange Broker ("Broker" or "Brokers" or "Brokerage firm"), Chelton may recommend certain brokers to their clients for optimal performance and trade execution.

The Client, therefore, may be able to open an account with another registered Futures Commission Merchant and Foreign Exchange Broker with prior approval from Chelton. However, Chelton 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 fair or in general if the management places constraints on the Chelton team.

Despite the client's potential choice of an FCM, Chelton will typically 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 differs from Chelton's, an additional "give-up" fee will probably be 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.

LITIGATION

There have never been any administrative, civil or criminal proceedings against Chelton or its principals.

CONFLICTS OF INTEREST

Prospective clients should know that Chelton's position frequently involves these and other potential conflicts of interest. However, Chelton must treat each Client fairly, considering the Client's best interests. All efforts will be made to ensure fair and equitable treatment of all accounts. Clients should be aware that usual marketplace factors may cause the results of various accounts to differ.

Chelton may trade for its account. Some of Chelton's principals may also trade commodities, futures, forex, and commodity interests for their accounts. The trades in these accounts may compete with a client's account for similar positions in the same markets. Chelton expects to manage the Forex accounts of various Clients. As such, Chelton's trading records or any of the principals' proprietary accounts may not be available for review or inspection.

All of these accounts plus the accounts owned or controlled by any affiliates or associates of Chelton may be combined for purposes of speculative position limits (restrictions which can be imposed by U.S. commodity exchanges and the CFTC or other Foreign Exchanges or regulatory bodies on the size of the positions or forex trades that a person may hold or control), so that the number of positions that Chelton establishes for anyone 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 market positions. To the extent that position limits restrict the total number of positions that Chelton may establish for any Client and those of other accounts, Chelton may allocate 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 Chelton may rotate the accounts that receive fills. Chelton and/or principals of Chelton may receive a fill price, and the Client may not.

Chelton may have investments in other accounts, which could create an incentive to favour those accounts over anyone's Client's account. Although no such favouritism 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.

RESEARCH AND DEVELOPMENT

Chelton and/or its principals constantly research and test new trading concepts and techniques in their accounts. As such, trading in these accounts may be more aggressive than trading in client accounts and may involve trades opposite to clients' trades.

ATTENTION

Chelton intends to continue actively engaging with and managing other Client accounts. However, Chelton may have conflicts of interest in allocating management and advisory time, services, and other functions to conduct such activities.

INCENTIVE FEE

The incentive fee arrangement between Chelton and its Clients might encourage Chelton to make risky or speculative investments, as Chelton would be partaking in the net performance of the client's accounts.

INTRODUCING BROKERS

In some situations, the client may be able to select any IB of their choice, and Chelton intends to pay any such IB a percentage of the fees collected for the time being. In such a case, the IB might be incentivised to encourage Chelton to trade more actively to generate additional profits.

TRANSACTIONAL FEES

Chelton may charge transactional fees to their clients on the round-turn activity of trades. This might incentivise Chelton to over-trade or trade more aggressively, as Chelton would be partaking in the direct volume of trades.

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RESOLVING CONFLICTS

While these conflicts exist, Chelton and its managing partners do not intend to trade Client accounts in any manner inconsistent with the trading program outlined in this Disclosure Document.

PRINCIPAL RISK FACTORS

Prospective clients should consider the following risks, in addition to the general risks, before utilising Chelton's services in the MTA program. The risk factors below are not intended to include all possible trading risks under the methodologies Chelton employed in the MTA, nor are the summaries intended to provide complete descriptions of the risks included. There is a degree of risk associated with the utilisation of Chelton’s MTA, and any such utilisation should be made only after consultation with independent qualified sources of investment and legal and tax advice. No person should consider investing more than they can comfortably afford to lose with Chelton. Clients participating in Chelton’s MTA will be subjected to several risks, including, but not limited to, the following:

INVESTMENT RISKS

The alternative investment markets are speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for various types of contracts change rapidly. They are affected by multiple factors, including interest rates, merger activities and general trends in the overall economy or particular industrial or other economic sectors. Government actions, especially those of the U.S. Federal Reserve Board, profoundly affect interest rates, affecting the price of various contracts. In addition, other factors that are inherently difficult to predict, such as domestic and international political developments, governmental trade and fiscal policies, patterns of trade and war or other military conflicts, can also significantly affect the markets. The Advisor may be limited in varying its investment portfolio in response to changing economic, financial, and investment conditions. Those risks may be enhanced significantly by the concentration of the Advisor’s investments, its consequent lack of diversification and the potential that creates volatility. No assurance can be given as to when or whether adverse events might occur that could cause a significant and immediate loss in value of the Advisor’s portfolio. Even without such events, trading Forex - can quickly lead to substantial losses.

TRADING IS SPECULATIVE AND VOLATILE

Prices of alternative investment contracts can be highly volatile. The Advisor trades in these markets on a purely speculative basis. No assurance can be given that the Advisor’s speculative trading will result in profitable trades or that Clients will not incur substantial losses.

LACK OF LIQUIDITY

Many alternative investment contracts are subject to daily price limitations, which may mean that the exchanges have prohibited trading various contracts if the price fluctuates by a certain amount. If this occurs, it may be impossible to liquidate a position. Alternative investment prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences in markets where the Advisor may hold positions at that time could prevent the Advisor from promptly liquidating unfavourable positions and subject it to substantial losses. Daily limits may reduce liquidity, but they do not limit ultimate losses, as such limits apply only daily. In addition, even if contract prices have not moved to the daily limit, the Advisor may be unable to execute trades at favourable prices if there is only light trading in the contracts.

LEVERAGE

An alternative investment position can be established with a margin that can be very high compared to the total value of a contract. Thus, a slight movement in the price of the underlying interest can result in a substantial price movement relative to the margin deposit and may result in immediate and significant losses. Accordingly, a relatively small price movement may result in direct and substantial losses. Although the use of leverage can substantially improve the return on invested capital, it may also increase any losses, and it is possible that a client could lose most or all of its capital due to the effects of leverage combined with price volatility. Additionally, trading on margin may result in losses over the amount deposited by the Client. If the managed account(s) suffers losses, the Advisor may de-leverage its account(s), which would materially impair its ability to recover its initial losses.

SPECULATIVE POSITION LIMITS

Many globally recognised bodies, such as the CFTC and various exchanges, have established limits on the maximum net long or net short positions which any person or group of persons acting together may hold or control. Any accounts owned or managed by the Advisor or its principal may be combined for position limit purposes. Due to the Advisor's concentration on various contracts, there may be times, particularly in spot months, when current limits could adversely affect the Advisor's ability to place trades on behalf of clients or to implement its trading strategy. From time to time, the Advisor's trading decisions may have to be modified, and positions may have to be liquidated to avoid exceeding such limits.

CURRENCY AND EXCHANGE RATE RISKS

The Advisor may invest in various contracts denominated or quoted in currencies other than the U.S. Dollar. Therefore, changes in currency exchange rates may affect the value of a client's account and the unrealised appreciation or depreciation of investments. Further, the Advisor may incur higher brokerage commissions with conversions between currencies as brokers are subject to risks during the conversion process. The Advisor may seek to protect the value of some portion or all of a client's account against currency risks by engaging in hedging transactions, if available, to the extent that such hedging transactions are cost-effective and practicable. There is no certainty that instruments suitable for hedging currency shifts will be available when the Advisor wishes to use them or that, even if available, the Advisor will elect to utilise a hedging strategy.

COUNTERPARTY CREDIT WORTHINESS

A Client could be unable to recover assets held at his or her FCM, even assets directly traceable to the Client from the FCM, in the event of a bankruptcy of the FCM. Although most FCMs are required to segregate customer funds under such acts as the U.S. Commodity Exchange Act (the "CEA"), for example, in the event of the FCM's bankruptcy, there may be no equivalent of the Securities Investors Protection Corporation insurance as is applicable in the case of securities broker-dealers' bankruptcies in the USA. Under CFTC regulations, for example, FCMs must maintain customer assets in a segregated account. If a Client's FCM fails to do so, the Client may be subject to the risk of loss of funds in the event of the FCM's bankruptcy. Even if such funds are properly segregated, the Client may still risk losing his funds on deposit with the FCM should another customer of the FCM or the FCM itself fail to satisfy deficiencies in such other customer's account. Bankruptcy law applicable to all FCMs requires that, in the event of the bankruptcy of such an FCM, all property held by the FCM, including specific property specifically traceable to the customer, will be returned, transferred or distributed to the broker's customers, but only to the extent of each customer's pro-rata share.

ACTIVE TRADING

The Advisor's trading activities could involve substantial portfolio turnover and high transactional costs.

COMPETITION

The Advisor engages in investment and trading activities that are highly competitive with other investment and trading programs. Clients will compete for trades with mutual funds, investment banks, broker/dealers, commercial banks, insurance companies, pension funds and other financial institutions, all of which may have investment objectives similar to the Client's and substantially greater resources or experience than the Client or the Advisor.

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THERE MAY BE ADDITIONAL RISKS IN THE TRADING OF DERIVATIVE INSTRUMENTS

Although not common, the Advisor may trade in complex derivative instruments that seek to modify or replace the investment performance of particular forex transactions on a leveraged or unleveraged basis. Derivative instruments are subject to additional risks, including interest rate and credit risk volatility, world and local market price and demand, and general economic factors and activity. Derivative instruments also have counter-party risk and may not perform as expected by the Advisor or the counterparties, resulting in greater loss or gain.

LIMITATIONS OF RISK-DEFINED STRATEGIES

The risk of leveraged trading and the requirement to make additional margin deposits are generally within defined limits. However, these risks can never be eliminated. Moreover, one side of a "balanced" position may decline in value, requiring additional margin deposits in connection with the financing of a position before a market move in the offsetting position. Although the Advisor believes that it would be unusual for a situation of this type to persist for any prolonged time, the markets in which the Advisor acquires (or disposes of) positions could move in such fashion for extended periods or to a significant degree. Should this occur, clients could incur substantial losses.

FEES AND EXPENSES

INCENTIVE AND TRANSACTIONAL FEES

There are typically two different compensation scales charged by (or shared with) Chelton to the Client. One is based on an account's High-Water Mark performance (performance fee or incentive fee), and one is based on the round-turn transactional fees from trading on an account rebated by the FCM. Performance fees (typically) range between 10-20% of monthly high watermark profits, and transaction fees range between 0-1 pip (or the equivalent in a $ per round turn charge). These may be rebated by their FCM or added to the broker's net cost. All fees are outlined on client LPOAs.

MANAGEMENT FEES

The management fee is prorated and charged monthly. There are no additional charges for opening or closing the account. Withdrawals incur the net banking fee; there are no extra charges.

The management fee amounts to either:

- 2% per annum for managed accounts with a total deposit of less than €1,000,000 (or the equivalent in other currency).
- 1.75% per annum for managed accounts with a total deposit between €1,000,000 and €2,500,000 (or the equivalent in other currency).
- 1.50% per annum for managed accounts with a total deposit between €2,500,000 and €5,000,000 (or the equivalent in other currency).
- 1.25% per annum for managed accounts with a total deposit between €5,000,000 and €10,000,000 (or the equivalent in other currency).
- 1.00% per annum for managed accounts with a total deposit of more than €10,000,000 (or the equivalent in other currency).

ADMINISTRATIVE FEES

Unless otherwise specified, Chelton will bear administrative, legal, audit, and other administrative fees or expenses. These fees are not passed on to the Client.

NET PROFIT PERFORMANCE FEES

Net Profits shall mean the aggregate net trading profit, both realised and unrealised in a managed account during such calendar month, minus brokerage fees and other managed account transaction costs and expenses, and or minus the change from the previous month-end in the balance of brokerage commissions necessary to liquidate positions. A Carry Forward

Loss is determined by adding all the Net Losses sustained since the last month-end at which a Monthly Performance Fee was paid and subtracting those from Net Profits for the same period. High Water Marks are re-set to the high after deducting the Incentive Fee.

Using a Carry Forward Loss ensures that Monthly Performance Fees are paid only on the cumulative increases in the Net Profit of a managed account. The Monthly Performance Fee will not be charged until there are Net Profits after incentive fee deductions. However, monthly performance fees shall not be rebated based on subsequent losses. If a participating client withdraws from the MTA, the client shall be billed for the Monthly Performance Fee if the managed account has earned a Net Profit in the month of such a withdrawal. If the MTA has incurred a loss in the month of withdrawal, the client will not be charged a Monthly Performance Fee.

HIGH WATER MARK EXAMPLE

The formula for calculating the High-Water Mark is the true High Water Mark formula. The formula for this is New HWM = Month End balance (or equity, varies per brokerage) - Incentive Fee.

An example of this calculation is as follows:

1.) When clients deposit their initial funds, they become the first High Water Mark (HWM). In this example, the Client deposits US$100,000.

2.) After one month, there is a 10% profit, which brings the Client account up to a gross value of US$110,000.

3.) US$110,000 (balance or equity) minus the last HWM (US$100,000) = US$10,000 in net profit.

4.) In this example, the Performance Fee is 20%. 20% of the USD 10,000 new profit is a US$2,000 Performance Fee (PF) payable to the Trader.

5.) After paying the Trader US$2,000 PF, the Client retains US$8,000 of the profit. The account balance after paying PF is US$108,000, reset as the new High-Water Mark.

PERFORMANCE FEE BILLING

Chelton and/or the FCM will either singly or collectively calculate and bill all Performance Fees to each managed account Client. All fees paid will be retained by Chelton, even if the managed account subsequently experiences losses. Since the Monthly Performance Fee is payable monthly, substantial Monthly Performance Fees may be paid to the Trade Manager during a fiscal year even though the managed account sustains a net trading loss in the fiscal year.

The Monthly Performance Fee will not be paid until the account exceeds its original value net of performance fees. The breakeven point, which dictates every subsequent “high water mark” level, equates to the original amount deposited in the account minus the Monthly

Performance Fee being paid. The monthly billing cycle is typically conducted from the first to the last calendar day of each month, at the open and close times per the FCMs server time used by Chelton.

SPECIAL DISCLOSURE FOR NOTIONALLY FUNDED ACCOUNTS

Notional funds in a client's account are not held in the account but committed by a client to the account's trading activity. Notional funding allows a client to trade the account at a higher level than the cash held. Incentive fees are calculated based on an account's TOTAL nominal value, including notional funds in ADDITION to actual funds.

CLIENT ACCOUNTS

ACCOUNT SIZE AND FUNDING

The minimum account size for participation in the MTA is generally set at US$100,000 or its equivalent in CHF, €, or £ in actual funds. Chelton may occasionally modify or waive the minimum investment at its sole discretion.

OPENING AN ACCOUNT

All accounts must be opened directly with Chelton's or another of their approved FCMs. Chelton will consider an account on "active" status typically within ten business days after receipt of all signed documents and agreements from the Client or the Client's representative and notification from Chelton's Futures Commission Merchant ("FCM") that the account is approved and ready to trade. "Active" status means that Chelton monitors the account for possible trade executions based on entry and exit signals from the MTA's models.

NEW ACCOUNTS

Each new account will encounter a start-up period during which it may incur certain risks related to the initial investment of assets. For example, during an account's start-up period, the level of diversification may be lower than a previously existing account with a fully committed and diversified portfolio.

To manage such risk, the Advisor may develop procedures governing the appropriate timing for the commencement of trading and the proper means of moving toward total portfolio commitment for any new accounts.

At its discretion, the Advisor may delay the actual start of trading for an account for an extended period or invest a new account more slowly than a more mature one. These procedures may be modified occasionally, and no assurance is given that they will successfully move an account toward total portfolio commitment without substantial losses that might have been avoided or preceding substantial profits that might have been achieved by other means of initiating investment in the markets.

CLOSING AN ACCOUNT

The client may close their account anytime by notifying their FCM in writing. However, the Advisor recommends that the Client report the Advisor at least five business days before closing his or her account with the FCM.

DEPOSITING AND WITHDRAWING

Funds may be added or withdrawn at any time by depositing or withdrawing money directly with the FCM. The Advisor recommends that the Client notify the Advisor at least 5 business days before any cash funding change.

REVOKING THE ADVISOR'S POWER TO TRADE FOR THE CLIENT

A Client may terminate the Advisor's power to trade over the account or terminate the Advisory Agreement with the Advisor at any time by notifying the Advisor and/or FCM in writing. However, the Advisor recommends that the Client inform the Advisor at least five business days before the effective date of the termination.

REPORTING

The Advisor and the FCM have continuous monitoring capabilities and may report to each client the Net Asset Value of their account on a daily & monthly basis. On-going performance statements are also typically available in real-time for export or live viewing via a trade platform login and password directly provided to them by the FCM. In many cases, a website back-office login or a daily statement forwarding by email can be set up, and clients receive these automatically each day.

PRIVACY CONSIDERATIONS

PRIVACY DISCLOSURE

The following privacy disclosure describes the standards that Chelton, as the Advisor, follows for collecting, using, and protecting any of its client's non-public personal information. The Advisor considers protecting sensitive information a sound business practice and a foundation of customer trust. It also protects its client's personal information by maintaining physical, electronic and procedural safeguards that meet or exceed applicable legal requirements. The Advisor only discloses non-public personal information about investors or former investors (including information regarding transactions or experience with investors or former investors) to employees, affiliates and non-affiliated third parties who assist the Advisor in providing services to the Advisor (for example, accountants and attorneys), each as permitted by law or as otherwise required by law.

INFORMATION THE ADVISOR MAY COLLECT

The Advisor may collect non-public information about Clients from the following sources: (i) information on account documents and other forms, which may include a Client's name, address, tax identification number, age, marital state, number of dependents, assets, debts, income, employment history, beneficiary information, and personal bank account information; (ii) information from a Client's transactions with the Advisor, such as account history or balance; and (iii) correspondence, whether written, telephonic or electronic, between a Client, the Advisor and any service providers for a Client's account.

INFORMATION THE ADVISOR DISCLOSES

The Advisor does not disclose any non-public personal information that it collects to unaffiliated third parties except to the extent necessary for a Financial Service Provider, such as a futures commission merchant, to process the Client's account(s) and as expressly permitted by a client or by law. The Advisor treats non-public personal information concerning former Clients like it treats such details on current clients.

INFORMATION THE ADVISOR PROTECTS

The Advisor confidentially treats non-public personal information and limits access to the personal information it has about Clients to its employees, affiliates, and financial services providers who have an appropriate reason to access it and to third parties to which a client has requested such disclosure. In addition, the Advisor endeavours to maintain appropriate physical, electronic and procedural safeguards to protect such information.

PAST PERFORMANCES

Independent public accountants may not have audited the MTA performance reports. However, Chelton believes that the information in their performance tables fairly represents the composite results of their past performance and the details from which they were derived. Mixed performance presentations may combine individual accounts that are traded according to the same trading program but may have differences that affect the actual rate of returns. A composite rate of return may not indicate any rate of return achieved by a single account, but it provides a valid representation of the accounts included in the composite. No representation is being made that accounts managed by Chelton as managed accounts will achieve profits in the future similar to those shown in any performance tables. Therefore, it must be understood that past performance never guarantees future performance.

PERFORMANCE DISCREPANCIES

In various scenarios, returns in a client's personal trading account may not match returns posted as "official performance". Typically, official performances are calculated from the 1st of each calendar month to the last trading day of the calendar month. This may also be calculated from the first weekend to the previous weekend of the following month, depending on the trading platform and FCM being used. If a client invested in the middle of a month, their performance may not match the Advisors for that particular month, which could make it vary significantly.

Other discrepancies may be caused by the handling of open trades at month-end. Performances may be calculated on the current balance (closed trades), not the floating equity (open trades). So, open trades which have not realised their P&Ls yet may be carried into the subsequent month after they were opened. This may vary from FCM to FCM, platform to platform, or by different analytical software used to compile this data.

Discrepancies may commonly occur, in particular, in the spot currency markets when trading programs are at more than one brokerage firm. In the spot forex markets, discrepancies between different brokers, no matter which ones, where they are, or how orders are placed, will always occur. This is due to the decentralised nature of the trading platforms. Different brokers have different price feeds, different spreads, different mark-ups, different speeds, different tick data, different software, different servers, different bridges, different clearing models, different platform times, different liquidity providers, and different costs, all of which may impact performance in the alternative investment markets, but in particular, much more so in the spot forex markets.

Brokerage commissions may be marked up externally (as a round-turn transactional cost), in the spread, or both. This may create noticeable discrepancies between different FCM performances. Different latencies between FCMs, when trades are duplicated from one primary (master) brokerage to a secondary brokerage (slave), may cause considerable discrepancies. This will typically always create a different net result.

When trading between multiple FCMs, especially when utilising 3rd party duplication technology, technical problems may occur (either with the duplication technology itself or at one of the FCMs participating in the duplicated trading). This may account for a discrepancy in performance between one brokerage and another. Furthermore, if a technical error occurs at a Master brokerage, it may be corrected and refunded there but not at the Slave brokerages receiving the duplicated signal.

Prospective clients should be aware that these and other potential factors that may cause discrepancies in performance are frequently inherent in the position occupied by Chelton. Chelton, however, attempts to minimise these discrepancies as much as possible, considering the Client's best interests. All efforts will be made to ensure the accurate performance of all accounts. Clients should contact Chelton to determine the best course of action to limit discrepancies should they be realised on their accounts. This typically involves simply trading at Chelton’s recommended FCM, where Master accounts are dealt with initially before being duplicated.

ANTI-MONEY LAUNDERING DISCLOSURES

To comply with laws and regulations globally aimed at the prevention of money laundering and prohibiting transactions with certain countries, organisations and individuals, the Advisor may request such information as it reasonably believes necessary to verify the identity of a client and to determine whether a Client is permitted to be a Client of the Advisor under such laws and regulations. In the event of delay or failure by a Client to produce any information required by the Advisor for these purposes, the Advisor may close a Client’s account or refuse to accept a prospective Client's account.

Likewise, after reviewing the provided information, the Advisor may determine whether to close a client’s account or refuse to accept a new one. In certain circumstances, the Advisor may be required to provide information about a client to regulatory authorities and take any further action as necessary. The Advisor will not be liable for any loss or injury to a client that may occur due to disclosing such information or refusing or closing an account.

FIELD OF ACTIVITY AND SUPERVISORY STATUS

FX Investment Management. Chelton AB is registered with the Swedish Financial Supervisory Authority, Finansinspektionen, Brunnsgatan 3, 111 38 Stockholm, Sweden.

FURTHER INFORMATION

Any Client or prospective Client considering participation in the MTA managed by Chelton who desires further information concerning the programs is strongly urged to contact Chelton directly.

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