ADVANTAGE FUTURES

Futures Client Disclosures and Notices

Advantage Futures LLC ("Advantage") is required to provide certain risk disclosures and other information to its Clients. These disclosures and information are listed below. Please read this information carefully and retain for your records. If you would like additional information or explanation, please contact your Account Representative.

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1 Risk Disclosure Statement for Futures and Options

The risk of loss in trading commodity futures contracts can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. You should be aware of the following points:

1. You may sustain a total loss of the funds that you deposit with your broker to establish or maintain a position in the commodity futures market, and you may incur losses beyond these amounts. 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 required funds within the time required by your broker, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.

2. The funds you deposit with a futures commission merchant for trading futures positions are not protected by insurance in the event of the bankruptcy or insolvency of the futures commission merchant, or in the event your funds are misappropriated.

3. The funds you deposit with a futures commission merchant for trading futures positions are not protected by the Securities Investor Protection Corporation even if the futures commission merchant is registered with the Securities and Exchange Commission as a broker or dealer.

4. The funds you deposit with a futures commission merchant are generally not guaranteed or insured by a derivatives clearing organization in the event of the bankruptcy or insolvency of the futures commission merchant, or if the futures commission merchant is otherwise unable to refund your funds. Certain derivatives clearing organizations, however, may have programs that provide limited insurance to customers. You should inquire of your futures commission merchant whether your funds will be insured by a derivatives clearing organization and you should understand the benefits and limitations of such insurance programs.

5. The funds you deposit with a futures commission merchant are not held by the futures commission merchant in a separate account for your individual benefit. Futures commission merchants commingle the funds received from customers in one or more accounts and you may be exposed to losses incurred by other customers if the futures commission merchant does not have sufficient capital to cover such other customers' trading losses.

6. The funds you deposit with a futures commission merchant may be invested by the futures commission merchant in certain types of financial instruments that have been approved by the Commission for the purpose of such investments. Permitted investments are listed in Commission Regulation 1.25 and include: U.S. government securities; municipal securities; money market mutual funds; and certain corporate notes and bonds. The futures commission merchant may retain the interest and other earnings realized from its investment of customer funds. You should be familiar with the types of financial instruments that a futures commission merchant may invest customer funds in.

7. Futures commission merchants are permitted to deposit customer funds with affiliated entities, such as affiliated banks, securities brokers or dealers, or foreign brokers. You should inquire as to whether your futures commission merchant deposits funds with affiliates and assess whether such deposits by the futures commission merchant with its affiliates increases the risks to your funds.

8. You should consult your futures commission merchant concerning the nature of the protections available to safeguard funds or property deposited for your account.

9. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market reaches a daily price fluctuation limit ("limit move").

10. All futures positions involve risk, and a "spread" position may not be less risky than an outright "long" or "short" position.

11. The high degree of leverage (gearing) that is often obtainable in futures trading because of the small margin requirements can work against you as well as for you. Leverage (gearing) can lead to large losses as well as gains.

12. In addition to the risks noted in the paragraphs enumerated above, you should be familiar with the futures commission merchant you select to entrust your funds for trading futures positions. The Commodity Futures Trading Commission requires each futures commission merchant to make publicly available on its Web site firm specific disclosures and financial information to assist you with your assessment and selection of a futures commission merchant. Information regarding this futures commission merchant may be obtained by visiting our Web site, www.AdvantageFutures.com.

ALL OF THE POINTS NOTED ABOVE APPLY TO ALL FUTURES TRADING WHETHER FOREIGN OR DOMESTIC. IN ADDITION, IF YOU ARE CONTEMPLATING TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS, YOU SHOULD BE AWARE OF THE FOLLOWING ADDITIONAL RISKS:

13. Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, customers who trade on foreign exchanges may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. Before you trade, you should familiarize yourself with the foreign rules which will apply to your particular transaction.

14. Finally, you should be aware that the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the foreign futures contract is liquidated or the foreign option contract is liquidated or exercised.

THIS BRIEF STATEMENT CANNOT, OF COURSE, DISCLOSE ALL THE RISKS AND OTHER ASPECTS OF THE FUTURES MARKETS.

2 CFTC Rule 1.55 Disclosure Document – Advantage Futures LLC

COMMODITY FUTURES TRADING COMMISSION RULE 1.55
ADVANTAGE FUTURES LLC
DISCLOSURE DOCUMENT

The Commodity Futures Trading Commission (Commission) requires each futures commission merchant (FCM), including Advantage Futures LLC ("Advantage" or "the Firm"), to provide the following information to a customer prior to the time the customer first enters into an account agreement with the FCM or deposits money or securities (funds) with the FCM. Except as otherwise noted below, the information set out is as of April 23, 2019. Advantage will update this information annually and as necessary to account for any material change to its business operations, financial condition or other factors that Advantage believes may be material to a customer's decision to do business with Advantage. Nonetheless, Advantage's business activities and financial data are not static and will change in non-material ways frequently throughout any 12-month period.

I. Firm Information and Principals

Advantage Futures LLC is the primary operating subsidiary of Advantage Financial LLC, the holding company. Advantage Futures LLC is registered with the CFTC as a Futures Commission Merchant, Commodity Pool Operator and Commodity Trading Advisor and is a member of the National Futures Association (NFA Member ID # 327359). Advantage does not currently manage any accounts nor have any funds under its management. Advantage Securities LLC operates as a subsidiary of Advantage Futures LLC. Advantage Securities LLC is a registered Broker Dealer with FINRA and currently is not clearing any business.

Advantage Financial LLC also has subsidiaries Advantage Capital Resource LLC, LaSalle Street Technology LLC and Advantage Building LLC. Advantage Capital Resource LLC provides margin financing for customers under certain select conditions, and is not currently providing any financing. Advantage Building LLC is an entity formed to hold the ownership of an office building located in Downers Grove, Illinois which serves as the Firm's business continuity site as well as office space for clients. LaSalle Street Technology LLC provides technology and support services.

Advantage's Principal Place of Business and contact information:

Headquarters: 231 S. LaSalle Street
14th Floor
Chicago, IL 60604
Telephone Number: 312-800-7000
Fax Number: 312-800-7810
ContactUs@advantagefutures.com
www.advantagefutures.com

Business Continuity Site and Branch Office:

1501 West Warren Avenue
Downers Grove, IL 60515
Telephone Number: 312-800-7000
Fax Number: 312-800-7810

Principals:

Joseph M. Guinan, Jr. **Founding Chairman & CEO**

Business Location: Headquarters

The CEO has oversight and responsibility of overall operations and resources of the Firm and acts as the main point of communication amongst the members.

Mr. Joseph Guinan founded Advantage Futures in 2003. Mr. Guinan previously held various trading and management positions from 1981 to 1995 at Irving Trust, Kidder Peabody, and Merrill Lynch. He later served as President and CEO of Fuji Futures Inc. (one of four companies merged to form Mizuho Securities USA) where he worked from 1995 to 2003. Mr. Guinan is a registered floor broker and a member of the Chicago Board of Trade and NYMEX. Mr. Guinan received a BA in economics and an MBA in finance and accounting from Columbia University.

William Harrington III **EVP – Business Development**
Business Location: Headquarters

Reporting to the CEO, EVP – Business Development is responsible for leading the development of new business for Advantage Futures. This encompasses the development and implementation of a firm wide sales plan.

Mr. William Harrington joined Advantage Futures in 2004. Mr. Harrington is responsible for overseeing, managing, and coordinating the Firm's business development activities. Prior to this position, Mr. Harrington served as Senior Vice President of Institutional Business Development at Advantage. Mr. Harrington began his career in the futures industry with Merrill Lynch Futures in 1987 before joining Fuji Securities (later Mizuho Securities USA) in 1995 as Vice President of Institutional Sales. He worked closely with large institutional accounts emphasizing interest rate, foreign currency and equity futures and options trading. Bill earned a BBA in finance from the University of Notre Dame.

Lisa C. Jones **Chief Compliance Officer**
Business Location: Headquarters

Reporting to the CEO, the CCO is responsible for ensuring Advantage Futures related business is conducted in compliance with current CFTC, NFA, as well as Exchange rules and regulations.

Ms. Lisa Jones joined Advantage Futures in 2004. Ms. Jones began her career in the futures industry in 1990 at Lind-Waldock & Company, a registered Futures Commission Merchant, where she served as Compliance Officer. Ms. Jones later joined the Bank of Montreal and Harris Bank as the US Treasury Compliance Manager in 1995, where she was primarily responsible for overseeing US Treasury activities, including exchange traded and over the counter markets. She later served in a variety of compliance roles within The Fuji Bank Ltd.'s subsidiaries, including Chief Compliance Officer of Fuji Futures Inc. Ms. Jones holds a BBA from Loyola University of Chicago.

Sung Soo Kim
Business Location: N/A

Mr. Sung Soo Kim is a passive investor of Advantage Financial LLC. Mr. Kim does not have management oversight for the business activities or day to day responsibilities of the operations of the Firm.

Michael McLaughlin **President - Institutional Sales**
Business Location: Headquarters

Reporting to the CEO, as President of Institutional Sales at Advantage Futures Michael McLaughlin oversees the CME and CBOT execution teams and is responsible for leading business development in these areas.

Mr. Michael McLaughlin joined Advantage Futures in 2004. Mr. McLaughlin began his career in the financial industry at Merrill Lynch in 1986, where he served as Manager of short-term interest rates until 1995. He later held the position of Managing Director at Fuji Futures where he managed the CME, CBOT and upstairs sales staff for eight years. Mr. McLaughlin holds a BS in finance from the University of Iowa.

Carlos Rodriguez **Chief Financial Officer**
Business Location: Headquarters

Reporting to the CEO, the CFO is responsible for overseeing the accounting process of Advantage Futures to protect the assets of the company, ensuring regulatory compliance and protection of customer funds, accurately reporting the Firm's results, and forecasting the Firm's needs for capital.

Mr. Carlos Rodriguez joined Advantage Futures in May 2017. Prior to Advantage, Mr. Rodriguez worked for CME Group over 20 years, most recently serving as Executive Director in CME Group's Financial and Regulatory Surveillance Department. Mr. Rodriguez holds a BS in Accountancy from the University of Illinois at Chicago.

Curt Paloumpis **Chief Risk Officer**
Business Location: Headquarters

Reporting to the CEO, the CRO provides independent monitoring, controlling and reporting on the nature and extent of material risks and financial exposure, and ensures the implementation of and compliance with enterprise risk management policies and procedures.

Mr. Curt Paloumpis rejoined Advantage Futures in October 2014. Prior to rejoining the Firm, Mr. Paloumpis was on the Firm's Sales and Execution team from June 2003 to June 2011. In the interim, Mr. Paloumpis worked as a proprietary trader at various trading firms. Mr. Paloumpis has extensive experience in the futures and derivatives industry starting back in 1983 with Drexel Burnham Lambert as a short-term interest rate trader. Mr. Paloumpis was a member of the Chicago Mercantile Exchange from 1990 to 2010. He earned a BS in Finance from Southern Illinois University.

II. Firm's Business

Advantage Futures is a clearing member of CME Group (including CME, CBOT, NYMEX, and COMEX), ICE Futures Europe, ICE Clear Europe, Options Clearing Corp., CBOE Futures Exchange, and Nasdaq Futures Exchange, as well as a non-clearing member of EUREX. For exchanges in which Advantage Futures is not a member, it has established carrying broker relationships to facilitate client access to products on such exchanges. Advantage Futures currently has carrying broker relationships with ABN Amro Clearing Chicago LLC, RBC Capital Markets, LLC, Phillip Capital Inc., Rosenthal Collins Group, LLC (a division of Marex North America LLC), and Nissan Securities Co., Ltd.

Client commissions derived from clearing trades for futures and options on futures are the Firm's primary source of revenue. Advantage Futures clears trades for professional traders, hedge funds, proprietary trading groups, institutional clients, non-clearing FCMs and individuals. Advantage Futures offers client execution services via CME Group trading floor and office-based personnel. Advantage Futures has an agreement with ADM Investor Services to provide global execution desk services to our clients. Trades executed by ADM Investor Services are given-up to Advantage Futures for clearing. Advantage Futures hosts technology equipment and provides other technology services for clients.

Most volume cleared through Advantage Futures is self-executed electronically by clients. The Firm's clients reflect various trading styles, including spreading, relative value, option market making, directional, and high frequency day trading. Advantage clients are located in 61 different countries, territories, and jurisdictions.

Advantage Futures does not conduct speculative proprietary trading. The Firm operates as an agency model brokerage company does not trade for its own account, focusing its resources and 100% of the Firm's capital (except for a de minimis amount of Firm capital used for hedging the Firm's foreign currency exposure) in support of client business.

Advantage Futures' Designated Self-Regulatory Organization is the CME Group. Their website is http://www.cmegroup.com/clearing/financial-and-regulatory-surveillance.html where additional information can be obtained.

A. Permitted Depositories and Counterparties

Advantage recognizes its responsibility to protect and separately account for funds in both the Customer Segregated and Customer Secured 30.7 origins (collectively "segregated funds"). This is necessary for the protection of both the customer and the Firm, as the FCM is ultimately responsible for any loss of segregated funds due to their mishandling. To that end, Advantage has developed procedures for:

- Evaluating the suitability of the depositories designated for holding segregated funds of Advantage's customers;
- Opening and documenting segregated accounts at approved depositories;
- Monitoring approved depositories;
- Establishing an appropriate level of FCM residual interest in these segregated accounts, including regular reviews of the suitability of that level;
- Withdrawing funds from segregated accounts when the withdrawal is not for the benefit of customers;
- Assessing the suitability and appropriate allocation of segregated funds to specific investments permitted per CFTC Rule 1.25.

B. Evaluating the Suitability of Customer Fund Depositories

There are three primary depositories holding segregated funds of Advantage's customers: banks, carrying brokers and clearing organizations. Advantage has established policies and procedures reasonably designed to ensure that the institutions into which Advantage deposits customer segregated funds are financially sound and otherwise appropriate for this purpose.

The criteria utilized in this analysis of banks, clearing organizations and carrying brokers include but are not limited to a review of the following, as applicable:

- Institutional size and capitalization
- Creditworthiness
- Access to liquidity
- Operational reliability
- Concentration of segregated funds with any depository or group of depositories
- Regulatory oversight
- Outside rating agency opinions
- Availability of deposit insurance

III. Material Risks

Advantage faces a number of potential risks throughout the ordinary course of business, including Credit Risk, Market Risk, Operational Risk, Legal, Regulatory & Compliance Risk, Human Resources Risk, Financial Risk, Information Technology Risk, and Strategic Risk, each defined as follows:

Credit Risk – The risk of loss from failure of client or counterparty to meet financial obligations or default of client or counterparty.

Market Risk – The risk of loss from fluctuations in market prices or changes in market conditions that impact investment values or result in client deficit balances. Also includes foreign currency exposure.

Operational Risk – The risk of loss due to inadequate systems and controls, human error, or management failure.

Legal, Regulatory, & Compliance Risk – The risk of fines, penalties, or reputational damage due to real or perceived noncompliance with laws, rules, regulations, agreements, or failure to meet professional obligations.

Human Resources Risk – The risk of loss due to ineffective hiring/recruitment, loss of key employees, inadequate corporate governance, or legal risks arising from employees.

Financial Risk – The risk of loss or missed business opportunities due to insufficient financial controls, including capital risk, liquidity risk, segregation risk, and accounting risk.

Information Technology Risk – The risks associated with critical systems, technology practices, cybersecurity, business data, and interruption of business activity.

Strategic Risk – The risk of internal or external events that inhibit or prevent the Firm from achieving objectives or damage the Firm's reputation.

Advantage Futures does not conduct any speculative proprietary trading. Therefore, no conflicts exist when the Firm acts as a client's executing broker or clearing firm as we are not competing against customer trading or on the other side of customer orders.

A. Investments Made by the Firm

To ensure compliance with regulatory capital requirements and sufficient liquidity to meet ongoing business obligations, Advantage holds a significant portion of its assets in cash, US Treasury and Agency securities and US Treasury/Agency Reverse Repurchase Agreements.

The Firm has a house proprietary account to hedge the Firm's foreign currency exposure and minimize risk in foreign currency price fluctuation.

Advantage Futures' investments of customer funds comply with CFTC Regulation 1.25. As permitted under CFTC regulations, client funds are invested in cash, US Treasury and Agency securities and Reverse Repurchase Agreements with US Treasury/Agency securities. Advantage Futures' daily financial and quarterly investment information can be found

on the Firm's website www.advantagefutures.com under section About/Financials.

B. Firm's Creditworthiness, Leverage, Capital, Liquidity, Principal Liabilities, Balance Sheet Leverage and Other Lines of Business

Advantage Futures pays its financial obligations in a timely manner and has never failed to meet a payment obligation to an exchange, clearing organization, or carrying broker. When and as needed, the Firm has been able to establish new banking, exchange, and carrying broker relationships. As an LLC and non-publicly held company, Advantage does not have a formal credit rating with major credit rating agencies.

Advantage's measure of balance sheet leverage as computed under NFA Financial Requirements Section 16 was 3.45 as of December 31, 2018.

Advantage strives to maintain sufficient capital necessary to support our business needs and comply with regulatory requirements. As of February 28, 2019, Advantage had Net Capital of $20,463,407, Adjusted Net Capital of $20,317,790 and Excess Net Capital of $12,820,850.

Advantage strives to transparently reflect our preference for liquidity by graphically displaying how we invest our Customer Segregated and Customer Secured 30.7 funds on our website. Additional liquidity for Advantage is provided via a $36,000,000 delivery line of credit by one of our banking relationships. If, when and as additional liquidity may be needed, Advantage will seek equity or debt funding from private sources of capital.

Principle liabilities for Advantage are the balances in our customer and non-customer accounts. As of February 28, 2019, 95.44% of the Firm's liabilities were comprised of equity in customer and non-customer commodity accounts carried by the Firm and other non-customer obligations. Of the remaining liabilities, 2.62% represents liabilities subordinated to claims of general creditors subject to a satisfactory subordination agreement approved by the Firm's Designated Self-Regulatory Organization. Various other payables and accrued expenses (including compensation and accounts payable) represent the remaining 1.94% of the liabilities carried by Advantage as of February 28, 2019.

C. Risks to the Firm Created by its Affiliates

Advantage does not invest any customer funds or house funds with an affiliated entity.

Advantage Securities LLC is a 100% owned subsidiary of Advantage Futures LLC. Advantage Securities LLC is a registered Broker Dealer with FINRA and the Securities and Exchange Commission. At this time, Advantage Securities does not conduct any securities business and maintains excess net capital of $569,538 as of February 28, 2019. Although a regulated entity with separate policies and procedures in place, the parent company Advantage Futures may have financial exposure if the broker dealer became illiquid or required additional capital to support its business activities.

No other affiliates of the Firm pose a material risk to the FCM business.

D. Significant Liabilities and Material Commitments

Advantage has a long-term liability in the form of its sub-sub-lease on its headquarters located at 231 South LaSalle Street, Suite 1400, Chicago, IL. The sub-sub-lease is a non-cancellable operating lease with rental commitments totaling $4,492,800 beyond March 01, 2019.

Advantage also has a contingent liability as the guarantor of loans collateralized by memberships on various commodities exchanges totaling in aggregate approximately $69,375 as of February 28, 2019.

E. Summary of Current Risk Practices, Controls and Procedures

Pursuant to CFTC Regulation 1.11(c), Advantage Futures has a risk management program to establish, maintain, and enforce a system of risk management policies and procedures designed to monitor and manage risks associated with the Firm's activities. The Firm maintains written policies and procedures that describe the risk management program, approved in writing by the Firm's governing body.

The Firm maintains a risk management program framework which describes the principles, policies, and functional responsibilities for risk management across the firm. The framework identifies the goals, business context, regulatory background, business model, governance

structures, supervision, methodologies, controls, monitoring, reporting, and resources utilized to manage risk.

Advantage Futures maintains a set of specific risk management policies, which identifies the various risks Advantage faces and describes how the Firm manages these risks. Advantage has categorized risk exposures into areas of Credit Risk, Market Risk, Operational Risk, Legal, Regulatory & Compliance Risk, Human Resources Risk, Financial Risk, Information Technology Risk, and Strategic Risk. While risks are separated into categories, the Firm recognizes its business activities present various combinations and concentrations of risks. The firm's written risk management program also establishes risk tolerance limits, accounts for risks posed by affiliates and all lines of business, and includes policies and procedures for detecting and appropriately escalating breaches of risk tolerance limits.

IV. Customer Funds Segregation

Below is a basic overview of customer fund segregation, futures commission merchant collateral management and investments, futures commission merchants, and joint futures commission merchant/broker dealers. Please note that Advantage Futures is not a registered Swap Dealer and does not support Swap business nor hold Cleared Swaps Customer Accounts. Therefore, any reference to such is not applicable to Advantage.

Customer Accounts. FCMs may maintain up to three different types of accounts for customers, depending on the products a customer trades:

(i) **Customer Segregated Accounts** for customers that trade futures and options on futures listed on US futures exchanges;
(ii) **30.7 Accounts** for customers that trade futures and options on futures listed on foreign boards of trade; and
(iii) **Cleared Swaps Customer Accounts** for customers trading swaps that are cleared on a DCO registered with the Commission.

The requirement to maintain these separate accounts reflects the different risks posed by the different products. Cash, securities and other collateral (collectively, **Customer Funds**) required to be held in one type of account, *e.g.*, the Customer Segregated Account, may not be commingled with funds required to be held in

another type of account, *e.g.*, the 30.7 Account, except as the Commission may permit by order.

Customer Segregated Account. Funds that customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on futures exchanges located in the US, *i.e.*, designated contract markets, are held in a **Customer Segregated Account** in accordance with section 4d(a)(2) of the Commodity Exchange Act and Commission Rule 1.20. **Customer Segregated Funds** held in the Customer Segregated Account may not be used to meet the obligations of the FCM or any other person, including another customer.

Customer Segregated Funds may be commingled in a single account, *i.e.*, a customer omnibus account, and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of $1 billion of regulatory capital; (iii) an FCM; or (iv) a DCO. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's customers. Unless a customer provides instructions to the contrary, an FCM may hold Customer Segregated Funds only: (i) in the US; (ii) in a money center country;[1] or (iii) in the country of origin of the currency.

An FCM must hold sufficient US dollars in the US to meet all US dollar obligations and sufficient funds in each other currency to meet obligations in such currency. Notwithstanding the foregoing, assets denominated in a currency may be held to meet obligations denominated in another currency (other than the US dollar) as follows: (i) US dollars may be held in the US or in money center countries to meet obligations denominated in any other currency; and (ii) funds in money center currencies[2] may be held in the US or in money center countries to meet obligations denominated in currencies other than the US dollar.

30.7 Account. Funds that **30.7 Customers** deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on foreign boards of trade, *i.e.*, **30.7 Customer Funds**, and sometimes referred to as the **foreign futures and foreign options secured amount**, are held in a **30.7 Account** in accordance with Commission Rule 30.7.

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[1] Money center countries means Canada, France, Italy, Germany, Japan, and the United Kingdom.

[2] Money center currencies mean the currency of any money center country and the Euro.

Funds required to be held in the 30.7 Account for or on behalf of 30.7 Customers may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside the US that has in excess of $1 billion in regulatory capital; (iii) an FCM; (iv) a DCO; (v) the clearing organization of any foreign board of trade; (vi) a foreign broker; or (vii) such clearing organization's or foreign broker's designated depositories. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's 30.7 Customers. As explained below, Commission Rule 30.7 restricts the amount of such funds that may be held outside of the US.

Customers trading on foreign markets assume additional risks. Laws or regulations will vary depending on the foreign jurisdiction in which the transaction occurs, and funds held in a 30.7 Account outside of the US may not receive the same level of protection as Customer Segregated Funds. If the foreign broker carrying 30.7 Customer positions fails, the broker will be liquidated in accordance with the laws of the jurisdiction in which it is organized, which laws may differ significantly from the US Bankruptcy Code. Return of 30.7 Customer Funds to the US will be delayed and likely will be subject to the costs of administration of the failed foreign broker in accordance with the law of the applicable jurisdiction, as well as possible other intervening foreign brokers, if multiple foreign brokers were used to process the US customers' transactions on foreign markets.

If the foreign broker does not fail but the 30.7 Customers' US FCM fails, the foreign broker may want to assure that appropriate authorization has been obtained before returning the 30.7 Customer Funds to the FCM's trustee, which may delay their return. If both the foreign broker and the US FCM were to fail, potential differences between the trustee for the US FCM and the administrator for the foreign broker, each with independent fiduciary obligations under applicable law, may result in significant delays and additional administrative expenses. Use of other intervening foreign brokers by the US FCM to process the trades of 30.7 Customers on foreign markets may cause additional delays and administrative expenses.

To reduce the potential risk to 30.7 Customer Funds held outside of the US, Commission Rule 30.7 generally provides that an FCM may not deposit or hold 30.7 Customer Funds in permitted accounts outside of the US except as necessary to meet margin requirements, including prefunding margin requirements, established by rule, regulation, or order of the relevant foreign

boards of trade or foreign clearing organizations, or to meet margin calls issued by foreign brokers carrying the 30.7 Customers' positions. The rule further provides, however, that, in order to avoid the daily transfer of funds from accounts in the US, an FCM may maintain in accounts located outside of the US an additional amount of up to 20 percent of the total amount of funds necessary to meet margin and prefunding margin requirements to avoid daily transfers of funds.

Cleared Swaps Customer Account. Funds deposited with an FCM, or otherwise required to be held for the benefit of customers, to margin swaps cleared through a registered DCO, *i.e.*, **Cleared Swaps Customer Collateral**, are held in a **Cleared Swaps Customer Account** in accordance with the provisions of section 4d(f) of the Act and Part 22 of the Commission's rules. Cleared Swaps Customer Accounts are sometimes referred to as LSOC Accounts. LSOC is an acronym for "legally separated, operationally commingled." Funds required to be held in a Cleared Swaps Customer Account may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of $1 billion of regulatory capital; (iii) a DCO; or (iv) another FCM. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's Cleared Swaps Customers.

Investment of Customer Funds. Section 4d(a)(2) of the Act authorizes FCMs to invest Customer Segregated Funds in obligations of the United States, in general obligations of any State or of any political subdivision thereof, and in obligations fully guaranteed as to principal and interest by the United States. Section 4d(f) authorizes FCMs to invest Cleared Swaps Customer Collateral in similar instruments.

Commission Rule 1.25 authorizes FCMs to invest Customer Segregated Funds, Cleared Swaps Customer Collateral and 30.7 Customer Funds in instruments of a similar nature. Commission rules further provide that the FCM may retain gains earned and is responsible for investment losses incurred in connection with the investment of Customer Funds. However, the FCM and customer may agree that the FCM will pay the customer interest on the funds deposited.

Permitted investments include:

(i) Obligations of the United States and obligations fully guaranteed as to principal and interest by the United States (U.S. government securities);

(ii) General obligations of any State or of any political subdivision thereof (municipal securities);
(iii) Obligations of any United States government corporation or enterprise sponsored by the United States government (U.S. agency obligations);
(iv) Certificates of deposit issued by a bank (certificates of deposit) as defined in section 3(a)(6) of the Securities Exchange Act of 1934, or a domestic branch of a foreign bank that carries deposits insured by the Federal Deposit Insurance Corporation;
(v) Commercial paper fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (commercial paper);
(vi) Corporate notes or bonds fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (corporate notes or bonds); and
(vii) Interests in money market mutual funds.

The duration of the securities in which an FCM invests Customer Funds cannot exceed, on average, two years.

An FCM may also engage in repurchase and reverse repurchase transactions with non-affiliated registered broker-dealers, provided such transactions are made on a delivery versus payment basis and involve only permitted investments. Funds or securities received in repurchase and reverse repurchase transactions with Customer Funds must be held in the appropriate Customer Account, *i.e.*, Customer Segregated Account, 30.7 Account or Cleared Swaps Customer Account. Further, in accordance with the provisions of Commission Rule 1.25, such funds or collateral must be received in the appropriate Customer Account on a delivery versus payment basis in immediately available funds (NFA publishes twice-monthly a report, which shows for each FCM, inter alia, the percentage of Customer Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. The report also indicates whether the FCM held any Customer Funds during that month at a depository that is an affiliate of the FCM).

Funds deposited with Advantage Futures LLC for trading futures and options on futures contracts on either US or foreign markets are not protected by the Securities Investor Protection Corporation.

Further, Commission rules require Advantage Futures to hold funds deposited to margin futures and options on futures contracts traded on US designated contract markets in Customer Segregated Accounts.

Similarly, Advantage Futures must hold funds deposited to margin options on futures contracts traded on foreign boards of trade in a 30.7 Account. In computing its Customer Funds requirements under relevant Commission rules, Advantage Futures may only consider those Customer Funds actually held in the applicable Customer Accounts and may not apply free funds in an account under identical ownership but of a different classification or account type (*e.g.*, securities, Customer Segregated, 30.7) to an account's margin deficiency. In order to be used for margin purposes, the funds must actually transfer to the identically-owned undermargined account.

For additional information on the protection of customer funds, please see the Futures Industry Association's "Protection of Customer Funds Frequently Asked Questions" located at http://www.futuresindustry.org/downloads/PCF-FAQs.PDF.

V. Filing a Complaint

A customer that wishes to file a complaint may directly contact Advantage's compliance department either electronically at compliance@advantagefutures.com or by calling 312-800-7000.

Additional options are as follows:

A customer that wishes to file a complaint about Advantage Futures or one of its employees with the Commodity Futures Trading Commission can contact the Division of Enforcement either electronically at https://forms.cftc.gov/fp/complaintform.aspx or by calling the Division of Enforcement toll-free at 866-FON-CFTC (866-366-2382).

A customer may file a complaint about Advantage Futures or one of its employees with the National Futures Association electronically at http://www.nfa.futures.org/basicnet/Complaint.aspx or by calling NFA directly at 800-621-3570.

A customer may file a complaint about Advantage Futures or one of its employees with the Firm's DSRO, the Chicago Mercantile Exchange, electronically at: http://www.cmegroup.com/market-regulation/file-complaint.html or by calling the CME at 312.341.3286.

VI. Material Complaints or Actions

At any given time in the normal course of business, Advantage may be involved in or the subject to litigation, investigations, arbitration matters or regulatory reviews, which may or may not seek significant damages. The Firm is currently involved in the following litigation matters.

Advantage v. H.A.L./Hal v. Guinan

In September 2017, the Company filed a lawsuit against H.A.L. NY Holdings, LLC ("HAL") and Ahron Feferkorn to collect a debit balance. HAL and Feferkorn offered to enter an offer of judgement, which the court entered in November 2017. The Court subsequently entered a modified judgment in January 2018. In March 2018, HAL filed a lawsuit in the U.S. District Court for the Southern District of New York against the Company's CEO seeking damages for the liquidations at issue in the Company's complaint against HAL and Feferkorn. The case was transferred to the U.S. District for the Northern District of Illinois and, on behalf of the Company's CEO, the Company filed a motion to dismiss the complaint in December 2018. On April 16, 2019, the Company's motion to dismiss was granted on the basis of res judicata.

Advantage v. Herm LLC, et al.

In February 2018, the Company was named as a defendant in multiple reparations claims, and the Company filed its own complaints against these customers in federal and state court in Illinois in March 2018. The complaints relate to debit balances incurred by the customers when the Company liquidated their under-margined accounts, managed by the same commodity trading advisor, on February 5, 2018.

Edwin Johnson v. Advantage Futures, et al.

In June 2018, Edwin Johnson filed a complaint against the Company and two Company employees in the Circuit Court of Cook County. The Company filed a motion to dismiss and was successful in obtaining a dismissal for one of the employee defendants. In January 2019, the Company filed an Answer to the Complaint on behalf of the Company and employee. Currently these proceedings are ongoing.

In the three years preceding the date of this disclosure, an enforcement action was filed against the Firm and its principal(s). All regulatory actions (including enforcement action) taken against the Firm by any Exchange, CFTC or NFA are documented and summarized on the NFA website at:

http://www.nfa.futures.org/basicnet/CaseInfo.aspx?entityid=0327359&type=reg

As a regulated entity, complaints or actions filed against Advantage are generally accessed by the above link. The section of this disclosure document is updated with any material actions or complaints filed against the FCM not otherwise available on the source provided above.

VII. Relevant Financial Data

Advantage Futures' annual audited financial statements are made available on the Firm's website at http://www.advantagefutures.com/about/financials/. Also included are for at least the past 12 months, monthly net capital summaries, monthly segregation statements, daily and monthly segregation and secured statements and investment of client funds historical data.

Other Financial data as of February 28, 2019:

Total Ownership Equity:	$14,962,127
Net Capital:	$20,463,407
Tangible Net Worth:	$13,250,329

Firm's proprietary margin requirement:

Advantage Futures does not conduct speculative proprietary trading. The Firm does maintain an immaterial margin requirement from time to time which represents open positions which hedge the Firm's currency exposure. This margin requirement represented .2036% of the Firm's aggregate margin requirement for futures customers and non-customers.

* 12 customers represent 50% of the FCMs total funds held for futures customers.

* 2 customers represent 50% of the FCMs total funds held for 30.7 futures customers.

* Advantage Futures does not enter into any principal over the counter transactions.

* Advantage Futures does not maintain any unsecured lines of credit or similar short-term funding.

* Advantage Futures does not provide financing for customer transactions involving illiquid financial products.

* Advantage Futures has not written off any new material segregated or secured 30.7 customer receivables as uncollectable during the past 12 month period.

Additional financial information on all FCMs is also available on the Commission's website at:
http://www.cftc.gov/MarketReports/financialfcmdata/index.htm

Customers should be aware that the National Futures Association (**NFA**) publishes on its website certain financial information with respect to each FCM. The FCM Capital Report provides each FCM's most recent month-end adjusted net capital, required net capital, and excess net capital (information for a twelve-month period is available). In addition, NFA publishes twice-monthly a Customer Segregated Funds report, which shows for each FCM: (i) total funds held in Customer Segregated Accounts; (ii) total funds required to be held in Customer Segregated Accounts; and (iii) excess segregated funds, *i.e.*, the FCM's Residual Interest. This report also shows the percentage of Customer Segregated Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. Finally, the report indicates whether the FCM held any Customer Segregated Funds during that month at a depository that is an affiliate of the FCM.

The report shows the most recent semi-monthly information, but the public will also have the ability to see information for the most recent twelve-month period. A 30.7 Customer Funds report and a Customer Cleared Swaps Collateral report

provides the same information with respect to the 30.7 Account and the Cleared Swaps Customer Account.

The above financial information reports can be found by conducting a search for a specific FCM in NFA's BASIC system (http://www.nfa.futures.org/basicnet/) and then clicking on "View Financial Information" on the FCM's BASIC Details page.

This disclosure document was first used April 23, 2019.

3 Electronic Trading and Order Routing Systems Disclosure Statement*

Electronic trading and order routing systems differ from traditional open outcry pit trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchange(s) offering the system and/or listing the contract. Before you engage in transactions using an electronic system, you should carefully review the rules and regulations of the exchange(s) offering the system and/or listing contracts you intend to trade.

Differences among Electronic Trading Systems

Trading or routing orders through electronic systems varies widely among the different electronic systems. You should consult the rules and regulations of the exchange offering the electronic system and/or listing the contract traded or order routed to understand, among other things, in the case of trading systems, the system's order matching procedure, opening and closing procedures and prices, error trade policies, and trading limitations or requirements; and in the case of all systems, qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risk factors with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times, and security. In the case of internet-based systems, there may be additional types of risks related to system access, varying response times and security, as well as risks related to service providers and the receipt and monitoring of electronic mail.

Risks Associated with Systems Failure

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

Simultaneous Open Outcry Pit and Electronic Trading

Some contracts offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. You should review the rules and regulations of the exchange offering the system and/or listing the contract to determine how orders that do not designate a particular process will be executed.

Limitation of Liability

Exchanges offering an electronic trading or order routing system and/or listing the contract may have adopted rules to limit their liability, the liability of FCMs, and software and communication system vendors and the amount of damages you may collect for system failure and delays. These limitations of liability provisions vary among the exchanges. You should consult the rules and regulations of the relevant exchange(s) in order to understand these liability limitations.

* Each exchange's relevant rules are available upon request from the industry professional with which you have an account. Some exchanges' relevant rules also are available on the exchange's internet home page.

4 Direct Order Transmittal Client Disclosure Statement

This statement applies to the ability of authorized Clients of Advantage Futures LLC to place orders for foreign futures and options directly with non-U.S. entities (each, an “Executing Firm”) that execute transactions on behalf of Advantage Futures LLC’s foreign futures and options Client omnibus account.

Please be aware of the following should you be permitted to place the type of orders specified above.

- The orders you place with an Executing Firm are for Advantage Futures LLC’s foreign futures and options Client omnibus account maintained with a foreign clearing firm. Consequently, Advantage Futures LLC may limit or otherwise condition the orders you place with the Executing Firm.
- You should be aware of the relationship of the Executing Firm and Advantage Futures LLC. Advantage Futures LLC may not be responsible for the acts, omissions, or errors of the Executing Firm, or its representatives, with which you place your orders. In addition, the Executing Firm may not be affiliated with Advantage Futures LLC. If you choose to place orders directly with an Executing Firm, you may be doing so at your own risk.
- It is your responsibility to inquire about the applicable laws and regulations that govern the foreign exchanges on which transactions will be executed on your behalf. Any orders placed by you for execution on that exchange will be subject to such rules and regulations, its customs and usages, as well as any local laws that may govern transactions on that exchange. These laws, rules, regulations, customs and usages may offer different or diminished protection from those that govern transactions on U.S. exchanges. In particular, funds received from Clients to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. Before you trade, you should familiarize yourself with the foreign rules which will apply to your particular transaction. United States regulatory authorities may be unable to compel the enforcement of the rules of regulatory authorities or markets in non-U.S. jurisdictions where transactions may be affected.
- It is your responsibility to determine whether the Executing Firm has consented to the jurisdiction of the courts in the United States. In general, neither the Executing Firm nor any individuals associated with the Executing Firm will be registered in any capacity with the Commodity Futures Trading Commission. Similarly, your contacts with the Executing Firm may not be sufficient to subject to the Executing Firm to the jurisdiction of courts in the United States in the absence of the Executing Firm’s consent. Accordingly, neither the courts of the United States nor the Commission’s reparations program may be available as a forum for resolution of any disagreements you may have with the Executing Firm, and your recourse may be limited to actions outside the United States.
- Unless you object within five (5) days, by giving notice as provided in your Client agreement after receipt of this disclosure, Advantage Futures LLC will assume your consent to the aforementioned conditions.

5 Disclosure Pursuant to Commodity Futures Trading Commission Rule 1.46 (e)(1)

If you maintain separate accounts in which, pursuant to Commodity Futures Trading Commission Rule 1.46(d)(6), offsetting positions are not closed out, we hereby advise you that, if held open, offsetting long and short positions in the separate accounts may result in the charging of additional fees and commission and the payment of additional margin, although offsetting positions will result in no additional market gain or loss.

6 Privacy Notice

This privacy notice explains the manner in which Advantage Futures LLC and Advantage Securities LLC ("Advantage") collect, utilize and maintain nonpublic personal information about clients as required under applicable privacy laws, including, where applicable, under the General Data Protection Regulation ("GDPR") and other UK and European privacy laws and applicable US privacy laws (the "Privacy Laws"). At Advantage, maintaining Client trust and confidence is a high priority. We understand that you are concerned with how we treat nonpublic personal information ("Client Information") that we obtain from you or from other sources about you in the course of providing you with our products and services. For this reason, we want you to understand how we work to protect your privacy when we collect and use information about you, and the steps we take to safeguard that information.

Securities Procedures

Advantage restricts access to Client Information about you to:

Those of our employees and affiliates who need to know that information in order to provide the products and services you receive from us.

Those unaffiliated third parties whose access to such information is permitted or required by law and who need to know that information in order to assist us in providing you with the products and services you receive from us.

To protect the security of Client Information, we maintain physical, electronic, and procedural safeguards that comply with federal standards for guarding the information we collect about you. While Advantage has written policies and procedures with respect to safeguarding your nonpublic personal information, it is possible (although highly unlikely) that a third party may be able to gain unauthorized access to such information by "hacking" into Advantage's system or otherwise. We utilize state of the art security devices and strive to safeguard all client information.

Information We Collect

In providing you with financial products and services, Advantage may collect the following types of Client Information:

Information from your account applications and other forms (for example, your name, address, social security number, income, and investment experience).

Information about your transactions with us, our affiliates, or other (for example, your trading history, your history of meeting margin calls, and your use of various products and services).

Information about your creditworthiness, credit history, and other information about you from consumer reporting agencies, our affiliates, or providers of other demographic information, such as your purchasing or investment preferences.

Information about you obtained in connection with Advantage's efforts to protect against fraud or unauthorized use of your account.

Categories of Parties to Which We May Disclose

Advantage may disclose the types of your Client Information listed above to the following types of parties:

Affiliates, including affiliated financial service providers.

Governmental agencies, other regulatory bodies, and law enforcement officials.

Other organizations, as required by law.

Advantage may also disclose your Client Information to other nonaffiliated third parties as permitted by law, such as in response to a subpoena or legal process or in order to complete a transaction which you initiated and authorized.

Where Client personal information is processed by third parties outside the UK and EEA, Advantage will ensure appropriate safeguards are in place to adequately protect it, as required by applicable law.

How We Use the Personal Information We Collect

Advantage collects your personal information to fulfill our contractual obligations, our statutory obligations and/or the legitimate interests of the firm and for other purposes for which the firm has a lawful basis under the Privacy Laws, including (i) for compliance with legal and regulatory requirements such as regulations aimed at prevention of money laundering or terrorist financing or "Know your Customer" requirements; (ii) for purposes of reporting to, or communicating with, the firm's Clients; (iii) in connection with litigation, investigations, regulatory or governmental inquiries or for other legal or regulatory purposes involving the firm; and (v) for other legitimate business interests.

In addition, for residence located in the United Kingdom or European Union, the firm may, and only with your consent, process your personal information in order to communicate with you for marketing purposes. In this event, we may provide additional information that we believe may be of interest, including but not limited to new products and/or services. Customers have the right to unsubscribe when they have provided consent to receive these communications by emailing compliance@advantagefutures.com.

Data Retention

The firm will retain your personal information for a period of at least five years from the date on which the relevant business relationship, for which purpose such personal data was provided, has ended (or if later the date on which the last transaction was completed or the last entry to the record was made). Thereafter, the firm will delete (or otherwise erase, de-identify or pseudonymise or equivalent) any such personal data in compliance with applicable Privacy Laws, except as required or permitted by applicable law or regulation.

Data Privacy Rights

Clients may have under applicable Privacy Laws certain rights relating to the personal information we hold in accordance with and subject to the Privacy Laws to: (i) check whether we hold personal information about you and to access such data (in accordance with our policy); (ii) request the correction of personal information about you that is inaccurate; (iii) have a copy of the personal information we hold about you provided to you or another controller where technically feasible; (iv) request the erasure of your personal information; and (v) request the restriction of processing concerning you. To do so, please send your request to compliance@advantagefutures.com.

Updating our details

If any of the information that you have provided to us changes, for example if you change your email address, please let us know by sending an email to compliance@advantagefutures.com.

What if you have questions?

What if you have questions? Please email compliance@advantagefutures.com if you have any questions about this privacy policy. You may also make a complaint, in accordance with applicable Privacy Laws to a supervisory authority in your country of residence.

The policies and practices described in this notice are subject to change. Advantage will notify you of any significant changes as required by applicable law.

Rev 12/2018

FACTS	WHAT DOES **ADVANTAGE** DO WITH YOUR PERSONAL INFORMATION
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ▪ Social Security number and **Income** ▪ **Account balances** and **Transaction History** ▪ **Credit history** and **Investment experience** When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share **customers'** personal information to run their everyday business. In the section below, we list the reasons financial companies can share their **customers'** personal information; the reasons **Advantage** chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Advantage Share?	Can you limit the sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We do not share
For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	No	We do not share
For nonaffiliates to market to you	No	We do not share

Questions?	**Call 312.800.7000** or go to **www.AdvantageFutures.com**

Who we are

Who is providing this notice?	**Advantage Futures LLC and Advantage Securities LLC**

What we do

How does **Advantage** protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does **Advantage** collect my personal information?	We collect your personal information, for example, when you • **Open an account** or **Deposit money** • **Make a wire transfer** or **Direct us to buy securities** • **Order a commodity futures** or **options trade**
Why can't I limit all sharing?	Federal law gives you the right to limit only • sharing for affiliates' everyday business purposes – information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. • ***Our affiliates include the following companies with the Advantage name, Advantage Futures LLC and Advantage Securities LLC***
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. • ***Advantage does not share with nonaffiliates so they can market to you***
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. • ***Advantage does not jointly market***

Other Important Information

7 Advantage Futures LLC Electronic Access Policy

This Electronic Access Policy (the "Electronic Policy") is part of and a supplement to the Account Agreement. Unless otherwise defined in the Electronic Policy, defined terms have the same meaning as set forth in the Account Agreement. In the event any provision in the Electronic Policy conflicts or is inconsistent with any provision of the Account Agreement, the provisions of the Electronic Policy shall control for matters or services related to this Electronic Policy. The Electronic Policy sets forth certain additional terms and conditions pursuant to which Advantage Futures LLC ("Advantage"): (a) will permit the undersigned Client ("Client") to enter orders for securities electronically using a front-end order entry system and equipment; (b) if applicable, will allow access to its website to allow Client to view and/or download information about Client's account with Advantage (the "Account"); and (c) if applicable, will deliver prospectuses, disclosure documents, monthly account statements, confirmations and other communications electronically, via e-mail, file transfer protocol, or any other similar method when such delivery is available (collectively, the "Electronic Services").

1. **Access and Use of the Electronic Services**
   Client acknowledges and agrees that the Electronic Services may be used only by a User to whom Advantage has issued a User ID and authorized a Password, as such terms are defined below. Advantage reserves the right to terminate, suspend or change any User ID or Password and to limit or restrict, in its sole discretion, the Electronic Services offered to Client or User. A "User" is Client and any person whom Client has authorized, in a manner designated by Advantage, to access the Account through the Electronic Services or to enter orders into or through a front-end trading system. "User ID" means an alphanumeric code that uniquely identifies a User for purposes of the Electronic Services, and "Password" means any authentication device (including alphanumeric codes) associated with a User ID that Advantage may now or in the future require for access to the Account or to Advantage's order entry systems, through the Electronic Services.

2. **Client's Responsibilities**
   Client is fully and solely responsible for all acts and omissions relating to the use of the Electronic Services for the Account and the use of information regarding the Account, by any person who uses the User ID and Password of any of the Users. Client may not, and shall ensure that its Users do not, share its User IDs or Passwords with others, and must notify Advantage immediately if it knows or suspects that the confidentiality of the Password of any of the Users has been compromised. Only persons to whom Advantage has issued a User ID may use the Electronic Services under that User ID. Client further agrees to notify Advantage of the names of any Users to whom it wishes to provide view-only access, if such access is available, or any other type of authority relating to the Account or User ID. **If Advantage grants such access or authority, Client agrees to be bound by any agreements, transactions or orders that these persons enter into with or through Advantage on Client's behalf. Client further agrees to abide by all other rules and procedures regarding the use of the Electronic Services that Advantage may establish from time to time**.

3. Orders

a. Client acknowledges and agrees that it is solely responsible for ensuring the accuracy and completeness of each order entered through the Electronic Services.

b. Client agrees that it is solely responsible for all investment and trading decisions made with respect to orders entered through the Electronic Services, including without limitation all order routing decisions, and that Advantage is not responsible for determining the suitability, appropriateness or advisability of any order entered by Client.

c. Client acknowledges and agrees that Advantage is not responsible for, and does not in any way guarantee, the investment performance of any trading activities in which Client engages through the Electronic Services or otherwise.

d. Client agrees that any order entered by Client through the Electronic Services shall be actionable and eligible for execution at any time until such order has expired, been cancelled or is executed. Receipt of an order by Advantage shall be without obligation and shall not be deemed an acceptance until such order has been actually received by Advantage affirmatively accepted by Advantage and processed for execution. Client agrees that Advantage, acting in good faith, may reject or cancel any order at any time and for any reason without liability. Advantage does not guarantee that any request by Client to cancel an order will be effective. Client acknowledges and agrees that an order will be cancelled only if Client's cancellation request is received and matched to the order in question before that order is partially or fully executed. Client will not assume that any order has been executed or cancelled until Client has received a transaction confirmation.

4. Information Made Available through the Electronic Services

a. The information made available to Client via the Electronic Services may be formatted in Adobe Acrobat's portable document format ("PDF"), hypertext mark-up language ("HTML") or other file formats Advantage deems appropriate. In order to view or print documents provided in PDF format, Client will have to obtain the Adobe Acrobat Reader, which is available free of charge at Adobe's website (located http://www.adobe.com) and install it on its computer. Client is responsible for having any necessary hardware, software or other technology to access the Electronic Services and any information sent electronically, including a printer or other device to download and save any information that Client might wish to retain.

b. Client is permitted to store, display, analyze, modify, reformat and print the information made available to Client via the Electronic Services only for its own use. Client agrees not to publish, transmit or otherwise reproduce this information, in whole or in part, in any format to any third party without the express written consent of Advantage and its third party providers. Client further agrees not to alter, obscure or remove any copyright, trademark or any other notices that are provided to Client in connection with the information. Advantage reserves the right, at any time and from time to time, in the interests of its own editorial discretion and business judgment to add, modify or remove any of the information and to terminate or restrict Client access to the information. The terms of this Electronic Policy are not intended and will not transfer or grant any rights in or to the information other than those which are specifically described in the Electronic Policy are reserved by Advantage or the third party providers from which Advantage has obtained the information.

5. **Representations and Warranties**

Client represents and warrants that: (a) it will not use the Electronic Services in contravention of the terms of the Electronic Policy, the Account Agreement and any applicable rules and regulations, (b) Client will use the Electronic Services only for the benefit of the Account and not on behalf of any other party, (c) with the exception of Web browser software and other applications specifically approved by Advantage in writing, Client agrees not to use (or allow another person to use) any software, program, application or other device, directly or indirectly, to access or obtain information through the Electronic Services or to automate the process of accessing or obtaining such information, and (d) any information that Client provides to Advantage will be accurate and complete. **Neither Advantage, its Affiliates nor any third party provider make any warranty whatsoever, express or implied, to Client or to any other persons as to the Electronic Services. Client expressly acknowledges and agrees that the Electronic Services are provided by Advantage, its Affiliates and its third party providers on an "as is" basis at Client's sole risk and that Advantage, its Affiliates and its third party providers expressly disclaim any implied warranties of merchantability or fitness for a particular purpose, including any warranty regarding the use or the results of the use of the services with respect to their correctness, completeness, quality, reliability and performance. Neither Advantage, its Affiliates nor any third party contributing in any manner to the Electronic Services will have any responsibility to maintain the Electronic Services or to provide any corrections, updates or releases in connection with them.**

6. **Limitation of Liability; Indemnity**

   a. Except as otherwise provided by law, Advantage Indemnified Parties shall not be liable for any Losses by or with respect to any matters pertaining to the Electronic Policy, except to the extent that such Losses are actual Losses and are determined by a court of competent jurisdiction or an arbitration panel in a final non-appealable judgment or order to have resulted solely from Advantage's or its Affiliates' gross negligence or willful misconduct.

   b. Client agrees that Advantage Indemnified Parties will have no liability, contingent or otherwise, to Client or any of Client's Users: (i) for the correctness, completeness, quality, reliability, performance or continued availability of the Electronic Services, (ii) for any special, indirect, incidental or consequential damages that may be incurred or experienced on account of Client's use or attempted used of the Electronic Services even if Advantage has been advised of the possibility of such damages, (iii) for any failure to inform Client of difficulties (including systems delays) experienced by Advantage, its Affiliates or third party providers with respect to the use of the Electronic Services, (iv) to verify, correct, complete or update any information made available via the Electronic Services to provide or maintain Client's access to the Electronic Services, or for any interruption or disruption of such access or any erroneous communications between Advantage and Client, regardless of whether the connection or communication service is provided by Advantage, its Affiliates or a third party.

c. Client agrees to indemnify and hold harmless Advantage Indemnified Parties from and against any and all Losses, as incurred, arising from Client's or any of Client's Users' actions: (i) alleging a false or misleading statement in any of the representations and warranties provided by Client in the Electronic Policy or (ii) arising out of a violation of the Electronic Policy. As used in this Section 6, the term "Advantage Indemnified Parties" includes all of the third party providers who provide Advantage with or otherwise assist it with any portion of the Electronic Services. Such third party providers will have no liability to Client for monetary damages on account of the Electronic Services provided to Client under this Electronic Policy.

d. Furthermore, Client agrees that the liability of Advantage Indemnified Parties arising from a failure of the Electronic Services will not exceed $10,000.

7. Internet Communications

Advantage will take measures that it believes appropriate to protect the confidentiality of information that it transmits to Client over the Internet. However, Client acknowledges that the Internet is not a secure network and communications transmitted over the Internet may be accessed by unauthorized or unintended third parties. Client further acknowledges that Advantage may be unable to assist with problems resulting from difficulties Client may encounter while logging on to or accessing the Electronic Services.

8. Cooperation with Regulatory Inquiries

Client shall cooperate with Advantage and all relevant governmental, regulatory and self-regulatory agencies or organizations in connection with any inquiries, investigations or examinations by such agencies or organizations relative to compliance by Advantage, Client or any third party with applicable law, rules and regulations. Such cooperation shall include, without limitation, access to Client's books and records.

9. Advantage agrees to train Clients with regards to the requirements of any exchanges as it relates to electronic entry and trading of orders, as well as any other applicable rules/regulations. Transactions using an electronic system are subject to the rules and regulations of the exchange(s) offering the system and/or listing the contract. Advantage will promptly communicate to its Clients any updates or revisions to such exchange requirements of entry and trading of orders. Before you engage in transactions using an electronic system, you should carefully review the rules and regulations of the exchange(s) offering the system and/or listing contracts you intend to trade. In addition to information provided by Advantage, some exchanges' relevant rules are also available on the exchange's internet home page.

NFA Investor Advisory—Futures on Virtual Currencies Including Bitcoin

December 1, 2017

The purpose of this investor advisory is to remind investors that, just like any other speculative investment, trading futures on virtual currencies, including Bitcoin, have certain benefits and various risks. While futures on virtual currencies must be traded on regulated futures exchanges, trading these products involves a high level of risk and may not be suitable for all investors.

It is critical, therefore, for investors who are considering trading virtual currency futures to educate themselves about these products, understand their risks, and conduct due diligence before making investment decisions. Investor protection begins with investor education.

- Conduct due diligence on any individuals and firms soliciting for an investment in futures on virtual currencies including Bitcoin by checking their Commodity Futures Trading Commission (CFTC) registration status, NFA membership status, and background using NFA's BASIC system or calling NFA's Information Center at 800-621-3570.
- Virtual currencies including Bitcoin experience significant price volatility, and fluctuations in the underlying virtual currency's value between the time you place a trade for a virtual currency futures contract and the time you attempt to liquidate it will affect the value of your futures contract and the potential profit and losses related to it. Be very cautious and monitor any investment that you make.
- Be aware of sales pitches offering investment schemes that promise significant returns with little risk or that encourage you to "act now." If an investment sounds too good to be true (e.g., high returns, guaranteed to perform in a certain way), then it probably is.
- Virtual currency futures contracts are bought and sold using initial margin money that can enable you to hold a virtual currency futures contract valued more than your initial investment. This is referred to as leverage. If the price of the futures contract moves in an unfavorable direction, the leveraged nature of the futures investment can produce large losses in relation to your initial investment. In fact, even a small move against your position may result in a large loss, including the loss of your entire initial deposit, and you may be liable for additional losses.
- Be aware of the risk of Ponzi scheme operators and fraudsters seeking to capitalize on the current attention focused on virtual currencies, including Bitcoin.

Outlined above are just some of the risks associated with trading futures on virtual currencies, including Bitcoin. Investors should consult the risk disclosures provided by their FCM and fully educate themselves on all of the associated risks before trading.

With CFTC oversight, each futures exchange listing a virtual currency futures contract is responsible for regulating its futures market. NFA performs market regulation services on behalf of certain futures exchanges and swap execution facilities. Please be aware, however, that just because futures on virtual

currencies, including Bitcoin, must be traded on regulated futures exchanges does not mean that the underlying virtual currency markets are regulated in any manner, and as discussed above what occurs in a virtual currency's underlying market will impact the price of a virtual currency's futures contract

Investors with questions or concerns regarding trading futures on virtual currencies including Bitcoin should contact NFA's Information Center (312-781-1410 or 800-621-3570 or information@nfa.futures.org).

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Customer Advisory: Understand the Risks of Virtual Currency Trading

The U.S. Commodity Futures Trading Commission (CFTC) is issuing this customer advisory to inform the public of possible risks associated with investing or speculating in virtual currencies or recently launched Bitcoin futures and options.

Virtual currency is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Virtual currencies are sometimes exchanged for U.S. dollars or other currencies around the world, but they are not currently backed nor supported by any government or central bank. Their value is completely derived by market forces of supply and demand, and they are more volatile than traditional fiat currencies. Profits and losses related to this volatility are amplified in margined futures contracts.

For hedgers – those who own Bitcoin or other virtual currencies and who are looking to protect themselves against potential losses or looking to buy virtual currencies at some point in the future – futures contracts and options are intended to provide protection against this volatility. However, like all futures products, speculating in these markets should be considered a high-risk transaction.

Bitcoin is a Commodity

Bitcoin and other virtual currencies have been determined to be commodities under the **Commodity Exchange Act** (CEA). The Commission primarily regulates commodity derivatives contracts that are based on underlying commodities. While its regulatory oversight authority over commodity cash markets is limited, the CFTC maintains general anti-fraud and manipulation enforcement authority over virtual currency cash markets as a commodity in interstate commerce.

What makes virtual currency risky?

Purchasing virtual currencies on the cash market – spending dollars to purchase Bitcoin for your personal wallet, for example – comes with a number of risks, including:

- most cash markets are not regulated or supervised by a government agency;
- platforms in the cash market may lack critical system safeguards, including customer protections;
- volatile cash market price swings or flash crashes;
- cash market manipulation;
- cyber risks, such as hacking customer wallets; and/or
- platforms selling from their own accounts and putting customers at an unfair disadvantage.

It's also important to note that market changes that affect the cash market price of a virtual currency may ultimately affect the price of virtual currency futures and options.

When customers purchase a virtual currency-based futures contract, they may not be entitled to receive the actual virtual currency, depending on the particular contract. Under most futures contracts currently being offered, customers are buying the right to receive or pay the amount of an underlying commodity value in dollars at some point in the future. Such futures contracts are said to be "cash settled." Customers will pay or receive (depending on which side of the contract they have taken –

long or short) the dollar equivalen of the virtu l currency based on an index or auction price specified in the contract. Thus, customers should inform themselves as to how the index or auction prices used to settle the contract are determined.

Entering into futures contracts through leveraged accounts can amplify the risks of trading the product. Typically, participants only fund futures contracts at a fraction of the underlying commodity price when using a margin account. This creates "leverage," and leverage amplifies the underlying risk, making a change in the cash price even more significant. When prices move in the customers' favor, leverage provides them with more profit for a relatively small investment. But, when markets go against customers' positions, they will be forced to refill their margin accounts or close out their positions, and in the end may lose more than their initial investments.

Beware of related fraud

Virtual currencies are commonly targeted by hackers and criminals who commit fraud. There is no assurance of recourse if your virtual currency is stolen. Be careful how and where you store your virtual currency. The CFTC has received complaints about virtual currency exchange scams, as well as Ponzi and "pyramid" schemes.

If you decide to buy virtual currencies or derivatives based on them, remember these tips:

- If someone tries to sell you an investment in options or futures on virtual currencies, including Bitcoin, verify they are registered with the CFTC. Visit **SmartCheck.gov** to check registrations or learn more about common investment frauds.
- Remember—much of the virtual currency cash market operates through Internet-based trading platforms that may be unregulated and unsupervised.
- Do not invest in products or strategies you do not understand.
- Be sure you understand the risks and how the product can lose money, as well as the likelihood of loss. Only speculate with money you can afford to lose.
- There is no such thing as a guaranteed investment or trading strategy. If someone tells you there is no risk of losing money, do not invest.
- Investors should conduct extensive research into the legitimacy of virtual currency platforms and digital wallets before providing credit card information, wiring money, or offering sensitive personal information.
- The SEC has also warned that some token sales or initial coin offerings (ICOs) can be used to improperly entice investors with promises of high returns.[1]

If you believe you may have been the victim of fraud, or to report suspicious activity, contact us at 866.366.2382 or visit **CFTC.gov/TipOrComplaint**.

[1] See https://www.sec.gov/oiea/investor-alerts-and-bulletins/ib_coinofferings.

The CFTC has provided this information as a service to investors. It is neither a legal interpretation nor a statement of CFTC policy. If you have questions concerning the meaning or application of a particular law or rule, consult an attorney.

10 Electronic Trading Guidelines – Montreal Exchange

When trading listed futures or options on futures products on the Montreal Exchange via an electronic trading platform, please be aware of the following restrictions and rules:

Electronic trading systems used to access the ME must be approved. Contact Advantage if you have any questions about the system you wish to use.

Transmission of orders to the ME by Clients of Advantage is a privilege and requires affirmation by Advantage that the Client is suitable for this trading (in terms of training, experience, knowledge of Exchange rules, etc.). As such, the Client is required to read and understand the rules noted below. Additionally, the Client agrees and understands that per Advantage's account documentation, Advantage has the right to terminate the Client's right to enter orders directly with the ME should it become apparent that the Client is operating outside the rules note below, the risk of the Client's trading exceeds agreed upon guidelines, or any other compromise to the trading system is noted.

Rules for Order Entry

1. Bid, asks, or trade execution at the close of trading may not be entered for the purpose of establishing an artificial price or affecting the high or low closing price. Such quotations may be disallowed at the discretion of the Exchange.

2. The Exchange reserves the right to validate, alter or cancel any trade if deemed necessary during extraordinary market conditions. If cancelled, the trade will be removed from the records and have no standing. These decisions may not be appealed.

3. No person may trade ahead of a customer order or attempt to reserve part of an order to be accepted for a particular trader or traders.

4. Manipulative or deceptive methods of trading are prohibited. These include:

   a. effecting, as an individual or with others, transactions or the posting of orders intentionally or repeatedly with the objective of unfairly influencing market prices;

   b. creating a false or misleading appearance of trading (such as wash sales);

   c. entering orders or effecting transactions in which the beneficial ownership of the product does not change (trading with oneself);

   d. effecting orders or transactions which create artificial prices, highs or lows unjustified by market conditions;

   e. entering orders or transactions with the intent transferring funds, assets, etc, in violation of legal or regulatory requirements.

5. Prearranged or block trades are permitted under certain guidelines. Contact Advantage's Compliance

11 Australian Securities and Investments Commission Notification

Advantage Futures LLC is regulated by the CFTC under US laws, which differ from Australian laws. Advantage Futures LLC is exempt from the requirement to hold an Australian financial services license under the Australian Corporations Act in respect of the financial services that it provides.

12 Special Notice for Foreign Brokers and Foreign Traders FOR NON US ACCOUNTS ONLY

Designation of Advantage Futures LLC as Agent

The Commodity Futures Trading Commission ("CFTC") has issued regulations that require the designation of futures commission merchants as the agents of foreign brokers and foreign traders. Advantage Futures LLC ("Advantage") is required to notify all foreign brokers and foreign traders of the requirements of these regulations.

CFTC Regulation §15.05 provides that upon execution by a futures commission merchant of financial futures transactions on a United States contract market for the account of a foreign trader or foreign broker, the futures commission merchant will be considered to be the agent of the foreign trader or foreign broker for accepting delivery of communications and legal process issued on behalf of the CFTC. Advantage Futures LLC is required under such regulation to retransmit any such communications or process to you. You should be aware that the rules also provide that an agent, domiciled in the U.S., other than Advantage Futures LLC may be designated by you. Such alternate designation of agency must be evidenced by written agreement which you must provide to Advantage Futures LLC and which Advantage Futures LLC, in turn, must forward to the CFTC. If you wish to designate an agent other than Advantage Futures LLC, please contact the Compliance Department at Advantage Futures LLC in writing. If you do not designate another agent, Advantage Futures LLC, will be your designated agent for CFTC communications. You should consult 17 C.F.R. §15.05 for a more complete explanation of the foregoing.

CFTC Special Calls for Information

In addition, the CFTC has issued a regulation requiring futures commission merchants, foreign brokers and foreign traders to respond to special calls by the CFTC for information regarding their futures and options trading. Advantage Futures LLC is similarly required to notify all foreign brokers and foreign traders of the requirements of this regulation.

This regulation provides for the issuance of a special call by the CFTC for information from foreign brokers or traders for whom a futures commission merchant, such as Advantage Futures LLC, makes or causes to be made a futures or options on futures transaction. Such special calls are limited to instances where the CFTC needs information promptly and where books and records of the futures commission merchant, trader or foreign broker upon whom the special call is made are not open at all times to inspection in the United States by any representative of the CFTC. For the purposes of this regulation, Advantage Futures LLC will be considered your agent and may be required to submit such special call by telex or a similarly expeditious means of communication to you, unless you have made an alternative designation as discussed above. Foreign brokers and foreign traders are required to provide CFTC the information specified in such special call.

The regulation permits the CFTC to prohibit further trading in the contract market and in the delivery months or options expiration dates specified in the call, except for liquidation trading, if the special call is not responded to at the place and within the time required by the CFTC. The special call shall be limited to information relating to futures or options positions of the trader in the United States. Please consult 17 C.F.R 21.03 for a more complete description of the foregoing.

Department for confirmation of these rules prior to executing such a transaction.

6. Should it be necessary to cancel an order resulting from input error, etc, it may be cancelled if the parties involved agree to it within 15 minutes following its execution. There is a form which must be submitted to Market Supervision for approval. Advantage's Compliance or Credit/Risk Departments can assist with this process if necessary. The Exchange also reserves the right to cancel trades detrimental to normal operation (see above).

7. There may be exceptions to the rules noted above for participants in specific market maker programs. Please contact Advantage's Compliance Department for information about participating in these programs and the rules that apply.

Should you have any questions regarding the rules above or any specific issue with the entry of electronic orders on the Montreal Exchange, feel free to contact Advantage's Compliance or Credit/Risk Departments.

Reportable Futures Positions

Advantage Futures LLC would like to bring to your attention certain additional regulations affecting futures commission merchants, foreign brokers and foreign traders. The CFTC has, in 17 C.F.R. §15.03, established specific reportable position levels for all futures contracts. These contract quantities are subject to change at any time and you should consult your account executive at Advantage Futures LLC to determine the current quantities applicable to you. 17 C.F.R. Part 17 requires each futures commission merchant and foreign broker to submit a report to the CFTC with respect to each account carried by such futures commission merchant or foreign broker, which contains a reportable futures position. In addition, 17 C.F.R. Part 18 requires all traders including foreign traders, to file a report with the CFTC within one day after the special call upon such trader by the CFTC. You should consult 17 C.F.R. Parts 17 and 18 for more complete information with respect to the foregoing.