

Hamer Trading Inc.
Managed Account
Diversified Systematic Program

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DISCLOSURE DOCUMENT

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THE DATE ON WHICH HAMER TRADING, INC. FIRST INTENDS TO USE THIS DISCLOSURE DOCUMENT IS :

August 31, 2011

THIS DISCLOSURE DOCUMENT MAY NOT BE UTILIZED PRIOR TO ABOVE DATE OR AFTER **May 31, 2012**

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NO PERSON IS AUTHORIZED BY HAMER TRADING, INC. TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS DISCLOSURE DOCUMENT.

RISK DISCLOSURE STATEMENT

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

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

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

UNDER CERTAIN MARKET CONDITIONS, YOU MAY FIND IT DIFFICULT OR IMPOSSIBLE TO LIQUIDATE A POSITION. THIS CAN OCCUR, FOR EXAMPLE, WHEN THE MARKET MAKES A “LIMIT MOVE.”

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

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

THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY INTEREST TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.

IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE

NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS, AT PAGES 10, 11 and 12 A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY INTEREST MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY INTEREST TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGE 7.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY TRADING ADVISOR MAY ENGAGE IN TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE YOUR TRANSACTIONS MAY BE EFFECTED. BEFORE YOU TRADE YOU SHOULD INQUIRE ABOUT ANY RULES RELEVANT TO YOUR PARTICULAR CONTEMPLATED TRANSACTIONS AND ASK THE FIRM WITH WHICH YOU INTEND TO TRADE FOR DETAILS ABOUT THE TYPES OF REDRESS AVAILABLE IN BOTH YOUR LOCAL AND OTHER RELEVANT JURISDICTIONS.

THIS COMMODITY TRADING ADVISOR IS PROHIBITED BY LAW FROM ACCEPTING FUNDS IN THE TRADING ADVISOR'S NAME FROM A CLIENT FOR TRADING COMMODITY INTERESTS. YOU MUST PLACE ALL FUNDS FOR TRADING IN THIS TRADING PROGRAM DIRECTLY WITH A FUTURES COMMISSION MERCHANT OR RETAIL FOREIGN EXCHANGE DEALER, AS APPLICABLE.

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THE CTA AND ITS PRINCIPALS

Organization. Hamer Trading, Inc., a West Virginia corporation, was organized by James P. Hamer II. The firm is registered with the Commodity Futures Trading Commission (“CFTC”) as a Commodity Trading Advisor (“CTA”) since August 6, 1998. Hamer Trading, Inc. was also registered as a Commodity Pool Operator (“CPO”) from April 27, 2001 until January 9, 2008. The pool operated under exemption 4.13(a)(2) from January 10, 2008 until December 16, 2010 when the exemption was withdrawn by the manager. Hamer Trading, Inc. once again became registered as a Commodity Pool Operator (“CPO”) on December 20, 2010. Hamer Trading has been a member of the National Futures Association since August 6, 1998. The company was organized to facilitate the management of funds for investment in the Alternative Investment / Managed Futures arena. Mr. Hamer is the sole stockholder of the company. Past performance figures are presented beginning on Page 17 of this document.

The Principal

Since graduating from West Virginia University (B.S. Forestry) in May of 1983, Jim's early career was concentrated in the hardwood lumber industry, where he managed sawmill operations for his family business, The Jim C. Hamer Company (www.jimchamer.com). Jim built and managed sawmills in eastern Kentucky and southern West Virginia for his family.

After losing a substantial amount of money during the stock market crash of 1987, Jim's interest level in investments and trading was stoked. He left the family business in January, 1989 and moved to Chicago to become a member of the Chicago Mercantile Exchange, where he traded in the S&P 500 pit for his own account as a "local" / floor trader. Jim learned a great deal about the impact of price movements due to: order flow, the influence of other markets, and the actions of "locals" in the trading pit. Although still very interested in trading, Jim became less interested in being a "local" for the long-term after trading in the pits for almost a year.

He left Chicago in October, 1989 and returned to the lumber business in his home state of West Virginia. In November, 1991 he started a new company for his family, Hamer Pellet Fuel (www.hamerpellet.com), manufacturing wood pellets which are used for environmentally friendly residential stoves. Jim built and managed the pellet plant for his family in 1991. It is still in operation today in Mount Hope, WV. The pellets are produced from the sawdust of the family's sawmills. In his spare time, Jim continued to read trading books, and trade futures for his own account. He also began experimenting with mechanical trading systems.

In 1996 after reading the book Market Wizards (1988) by Jack Schwager, Jim contacted Ed Seykota, one of the "Market Wizards" featured in the book. In the book, Ed is credited with converting Richard Donchian's trading methods into computer code to back test the trading methods on historical price data. Seykota is credited with being one of the first to do such systematic testing. For more information about Ed Seykota please visit www.edseykota.net . Donchian is considered to be the "Father of Trend Following". For more info about Donchian, please visit www.donchian.com

After much correspondence with Seykota, Jim convinced Ed to mentor him and in March of 1997 Jim left the family businesses again and moved to Nevada where he was able to receive training in systematic trend following principles. Under Ed's guidance, Jim learned trend following basics and proper money management skills. Ed also spent a lot of time discussing the psychology of trading and how that impacts the trader. Ed continues to provide free training to traders about the subconscious mind and how it influences our actions and our trading success through his "Trading Tribe" website. It's called the Trading Tribe Process : www.seykota.com/tribe/TT_Process

Since that training with Seykota, Jim has devoted his full time and attention to the research of market trends and to the management of capital in the commodity and futures trading arena. Jim began managing family (proprietary) accounts in June of 1997 and became registered as an associated person and principal of Hamer Trading, Inc in August of 1998. Jim lives in Williamsburg, Virginia with his wife, Lesley.

Description of the Trading Program

The Manager seeks capital appreciation of Clients' accounts through speculation in commodity futures trading. There is no representation being made that the trading program ("Diversified Systematic Program") will be successful in achieving this goal. The trading system

utilized by the Manager is proprietary and confidential. The following description is of necessity general and is not intended to be all-inclusive.

Money managers, such as the Manager, generally rely on either fundamental or technical analysis, or a combination thereof, in making trading decisions and attempting to identify price trends in a security or commodity interest.

"Fundamental analysis" considers factors external to the market of a particular instrument which affects the supply and demand of that particular instrument in order to predict future prices of that instrument. As an example, some of the fundamental factors which affect the supply of commodities (e.g. agricultural products such as corn and soybeans) include the acreage planted, weather during the growing season, harvesting and distribution of the commodity and the previous year's crop carryover. The demand for such commodities is determined in part by domestic consumption and exports and is a product of many factors, including general world economic conditions, exports and the cost of competing products which might be substituted as alternate sources of food or fiber.

Technical analysis is not based on the anticipated supply and demand of the "cash" or "physical" (i.e., actual) commodity, but is instead based on the theory that a study of the markets themselves (in particular, of trends established by the markets for various instruments during selected historical periods) provides a means of anticipating prices. Technical analysis of the markets often includes a study of the actual daily, weekly and monthly price fluctuations as well as volume variations and changes in open interest, utilizing charts and/or computers for analysis of these items and other technical market data. Both general methodologies have been employed with success by traders and investors in the past, however, neither trading method can be assured of success in a particular interval of time.

The Manager's program utilizes a systematic trend following approach trading a diversified portfolio of markets, based primarily on technical analysis, but utilizing fundamental analysis when and where appropriate.

MARKETS TRADED

The Manager intends to trade primarily in futures and options thereon in a variety of 32 markets, including but not limited to grain, currency, metal, energy, financial, stock index, fiber, softs (coffee, cocoa, sugar, and orange juice) markets.

ACCOUNT SIZE

Minimum Account Size: The minimum Nominal Account Size for new accounts is \$2,000,000. At its discretion, the Trading Advisor may accept a notionally-funded account; that is, an account whereby the actual funds in the account is less than the nominal (or fully funded) amount.

Special Disclosure For Notionally-Funded Accounts

See notes regarding special disclosure for notionally-funded accounts beginning on page 13.

PRINCIPAL RISK FACTORS

Before investing in futures, a prospective investor should consult his financial advisor to inform himself fully on futures trading and to determine if futures trading is suitable for his own investment requirements. Futures trading involves substantial risks. A prospective investor should review this section and the entire Disclosure Document and become familiar with the more significant risks involved in futures trading. Among the risks of futures trading are the following:

General. The transactions in which the Trading Advisor generally will engage involve significant risks. No assurance can be given that an investor will realize a profit on his account, that he will not lose some or all of his account equity or will not incur substantial additional losses. In addition, the investor will be subject to margin calls in the event that the assets of its account on deposit with an FCM are insufficient to satisfy margin requirements. Because of the nature of the trading activities, the results of the Trading Advisor's trading activities may fluctuate from month to month and from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results in future periods.

Futures.

Commodity futures contracts are standardized contracts made on domestic or foreign commodities exchanges which call for future delivery of specific quantities of various agricultural commodities, industrial commodities, currencies, financial instruments or metals at a specified time and place. The size and term of futures contracts on a particular commodity are identical and are not subject to any negotiation between the buyer and seller. The contractual obligations, depending upon whether one is a buyer or a seller, may be satisfied either by taking or making, as the case may be, physical delivery of an approved grade of commodity or by making an offsetting sale or purchase of an equivalent futures contract on the same (or a linked) exchange prior to the designated date of delivery. As an example of an offsetting transaction where the physical commodity is not delivered, the contractual obligation arising from the sale of one contract of December 1995 gold on a commodity exchange may be fulfilled at any time before delivery of the commodity is required by the purchase of one contract of December 1995 gold on the same (or a linked) exchange. The difference between the price at which the futures contract is sold or purchased and the price paid for the offsetting purchase or sale, after allowance for brokerage commissions, constitutes the profit or loss to the trader. Certain futures contracts, such as stock index or other financial or economic indices approved by the CFTC or Eurodollar contracts, settle in cash (irrespective of whether any attempt is made to offset such contracts) rather than delivery of any physical commodity. In market terminology, a trader who purchases a futures contract is "long" in the market and a trader who sells a futures contract is "short" in the market. Before a trader closes out his long or short position by an offsetting sale or purchase, his outstanding contracts are known as "open trades" or "open positions".

Futures Trading Is Speculative and Highly Volatile. Futures prices are highly volatile. Price movements for futures are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; weather and climate conditions; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the psychological emotions of the market place. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the currency markets, and such intervention (as well as other factors) may cause these markets to move rapidly.

Futures Trading Can Be Highly Leveraged. The low margin deposits normally required in futures trading permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a futures contract may result in immediate and substantial loss or gain to the investor. For example, if at the time of purchase, 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the futures contract would, if the contract were then closed out, result in a total loss of the margin deposit before any deduction for brokerage commissions. Thus, like other leveraged investments, any futures trade may result in losses in excess of the amount invested. Any increase in the amount of leverage applied by the Trading Advisor in trading an account will increase the risk of loss to the investor by the amount of additional leverage applied. It is estimated that overnight margin requirements will not exceed 40% of equity.

Futures Trading May Be Illiquid. Certain United States exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a particular futures contract has increased or decreased to the limit point, positions in the futures contract neither can be taken nor liquidated unless traders are willing to effect trades at or within the limit, which could be unlikely if underlying market prices moved beyond the limit. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. In addition, even if futures prices have not moved the daily limit, the Trading Advisor may not be able to execute trades at favorable prices if little trading in the contracts it wishes to trade is taking place. It is also possible that an exchange or the CFTC may suspend trading, order the immediate settlement of a particular contract or order that trading in a particular contract be conducted for liquidation purposes only.

Trading of Options.

The Manager may engage in the trading of options on futures contracts for the Company's account(s). Each option on a commodity futures contract or physical commodity is a right, purchased for a certain price, to either buy or sell a commodity futures contract or physical commodity during a certain period of time for a fixed price. Although successful commodity options trading requires many of the same skills as does successful commodity futures trading, the risks involved are somewhat different. For example, if the Company buys an option (either to sell or purchase a futures contract or commodity), it will pay a "premium" representing the market value of the option. Unless the price of the futures contract or commodity underlying the options changes and it becomes profitable to exercise or offset the option before it expires, the

Company's account may lose the entire amount of such premium plus fees. Conversely, if the Company sells an option (either to sell or purchase a futures contract or commodity) it will be credited with the premium but will have to deposit margin due to its contingent liability to take or deliver the futures contract or commodity underlying the option in the event the option is exercised. Sellers of options are subject to the entire loss which occurs in the underlying futures position or underlying commodity (less any premium received plus fees). It should also be noted that when selling ("uncovered or naked") options an account can be potentially exposed to an unlimited risk of loss. The ability to trade in or exercise options may be restricted in the event that trading on United States commodity exchanges is restricted by both the CFTC and such exchanges.

Counterparty Risk.

Failure of a Client's FCM. Under CFTC regulations, FCM's are required to maintain a client's assets in a segregated account. If a client's FCM fails to do so, the client may be subject to a risk of loss of his funds on deposit with his FCM in the event of its bankruptcy. In addition, under certain circumstances, such as the inability of another client of the FCM or the FCM itself to satisfy substantial deficiencies in such other client's account, a client may be subject to a risk of loss of his funds on deposit with his FCM, even if such funds are properly segregated. In the case of any such bankruptcy or client loss, a client might recover, even in respect of property specifically traceable to the client, only a pro rata share of all property available for distribution to all of the FCM's clients.

Limited Deduction by Noncorporate Taxpayers for Management and Incentive Fees. Under prior law, noncorporate taxpayers who itemized deductions were permitted to deduct expenses of producing income, including investment advisory fees, when computing taxable income. The Internal Revenue Code of 1986, as amended, now provides that such expenses are to be aggregated with unreimbursed employee business expenses and other expenses of producing income (collectively, "Aggregate Investment Expenses") and the aggregate amount of such expenses will be deductible only to the extent such amount exceeds 2% of a noncorporate taxpayer's adjusted gross income. Such limitation could substantially reduce the deductibility for federal income tax purpose of any amounts deemed to constitute "investment advisory fees". The fees payable to Hamer Trading, Inc. will, in all probability, be characterized as investment advisory fees subject to the above limitation. EACH CLIENT, THEREFORE, MAY PAY TAX ON MORE THAN THE NET PROFITS GENERATED BY THE HAMER TRADING ADVISORS, INC. MANAGED ACCOUNT PROGRAM. EACH PROSPECTIVE CLIENT MUST CONSULT AND MUST DEPEND ON HIS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF PARTICIPATING IN THE HAMER TRADING, INC. MANAGED ACCOUNT PROGRAM.

Possible effects of Speculative Position Limits. The CFTC and the United States commodity exchanges have established limits on certain commodities referred to as "speculative position limits" in the maximum net long or short speculative positions that any person may hold or control in futures or options contracts traded on United States commodity exchanges. Hamer Trading also will be subject to position limits on the basis of all accounts (proprietary or client) under its management.

Adverse effects of Increased Regulation of Financial Futures. As a result of the stock market decline during October 1987 and general volatility, there have been considerable public discussion, and congressional investigation, of the desirability of imposing major additional regulation on the financial and (in particular) the stock index futures markets, including proposals for reduced speculative position limits and significantly increased margin requirements. Some commentators have suggested eliminating the stock index futures market or "program trading" - i.e. arbitraging between the stock index futures and the underlying stock markets - altogether.

Although it is not possible to predict what, if any, regulatory changes will in fact be imposed on the financial and stock index futures markets, any such regulations could significantly restrict Hamer Trading's access to, and ability to allocate and reallocate assets to and from, financial and stock index futures positions, to the material detriment of the Hamer Trading, Inc. Managed Account Program. Any such regulations may also impair the liquidity of the financial and stock index futures markets, increasing the transaction cost associated with financial and stock index futures contracts.

General Uncertain Concerning Future Regulatory Changes. In addition to possible changes in the regulation of the stock index and financial futures markets, other regulatory changes could have a material and adverse effect on the Managed Accounts' prospects for profitability. The United States securities and commodities markets are subject to ongoing and substantial regulatory changes, and it is impossible to predict what statutory, administrative or exchange imposed restrictions may become applicable in the future.

MANAGEMENT AND INCENTIVE FEES

Hamer Trading will charge a monthly Management Fee and a quarterly Incentive Fee in connection with its trading for clients' managed accounts, as set forth below. The Management Fees will be paid whether or not a managed account is profitable. However, the Incentive Fee is payable only on cumulative profits to the extent that any such profit exceeds an all-time high at the end of a previous calendar quarter or any other incentive period agreed upon between Hamer Trading and each client. For example, if a managed account incurs losses after an Incentive Fee payment is made, Hamer Trading will retain the payment but will receive no further Incentive Fee payments in subsequent incentive periods until Trading Profits have exceeded an all-time high at the end of a previous incentive period. The Incentive Fee will also be payable in the case of a withdrawal prior to the end of a calendar month within a reasonable time after such withdrawal.

Monthly Management Fee. Hamer Trading will receive a monthly Management Fee equal to 1/12 of 1% (**a 1% annual rate**) of month-end Account Size. Account Size, as defined in this Disclosure Document, equals the account's month-end Net Assets. "Net Assets" of the account shall mean total assets (including, but not limited to, all cash and cash equivalents valued at cost, accrued interest and the market value of all open futures, and options on futures), less liabilities of the account (including the accrued portion of brokerage fees) but prior to reduction for accrued management and incentive fees. For Notional Accounts, "Net Assets" will also include the notional portion of the account that hasn't been funded. For example:

250,000	Actual Cash and/or cash equivalents and market value of open positions
<u>250,000</u>	Notional amount
500,000	Total Nominal Account (Net Assets)

1% Annual Management fee = \$5,000 (1% of the 500,000)

The Management Fee payable to Hamer Trading, Inc. for the month in which the account commences or terminates trading operations will be pro-rated based on the ratio that the number of trading days in the month in which the account is open bears to the total number of days in the month. Hamer Trading may waive the payment of Management Fees in its discretion or have such fees applied against the Incentive Fees of a particular managed account based upon the size of a managed account and other relevant factors. Management Fees will be paid regardless of the profitability of the account.

Incentive Fees. The Incentive Fee, if any, payable at the end of each calendar quarter (or within a reasonable period of time in the case of a withdrawal), will be **20%** of the increase in Trading Profits in the client's managed account as of the end of each calendar quarter in excess of the highest previous calendar quarter-end level of Trading Profits. "Trading Profits" mean the net trading profits (realized and unrealized) earned by the account as of the end of each Incentive Fee period after deduction of brokerage commissions paid and accrued, floor brokerage fees, and other fees, costs, and expenses directly related to the account's trading activities (but prior to reduction for any accrued and unpaid Incentive Fees). Trading Profits shall be determined from the end of the last Incentive Fee period for which an Incentive Fee was earned by Hamer Trading or, if no incentive fee has been earned previously by Hamer Trading, from the date that the account began to receive trading advice from Hamer Trading to the end of the Incentive Fee period as of which such Incentive Fee calculation is being made. In the calculation of Trading Profits, Hamer Trading is not required to earn back previously paid incentive fees. Trading Profits include interest income earned or credited to a client's managed account. Any Incentive Fees paid by a client for past performance are not subject to being returned due to subsequent losses. Clients with managed accounts closing in subsequent months due to losses during that month or for any other reason have no right to a refund for past Incentive Fees paid. Managed accounts opened at any time other than the beginning of a calendar quarter will be charged an Incentive Fee at the end of said calendar quarter despite the fact that such account had not been open and trading for a full calendar quarter. If Trading Profits for a calendar month are negative, it shall constitute a "Carryforward Loss" for the beginning of the next calendar month. To the extent any funds are withdrawn from a client's account, any loss attributed to those funds shall be deducted from the Carryforward Loss. To the extent funds are withdrawn other than at calendar quarter-end, an Incentive Fee, if any, shall be due in proportion to such funds withdrawn. If the Management Agreement is terminated as of any date which is not the end of an Incentive Fee period, the Incentive Fee described above, if applicable, will be determined as if such termination date were at the end of an Incentive Fee period. The Incentive Fee will be based on non-securities investments made on behalf of a managed account and is not in accordance with SEC Rule 205-3.

Payment. The Management and Incentive Fees are due and payable on the last business day of

each calendar month and quarter, respectively. Each client is required to sign an Authorization to Pay Fees which will authorize the FCM or IB, as the case may be, to deduct from the client's managed account and remit directly to Hamer Trading, Inc. payment of the Management and Incentive Fees.

Expenses. A managed account will not be charged any fees or be subject to any expenses other than those described above or other than as agreed to in writing by both parties.

FUTURES COMMISSION MERCHANTS

Clients may select any futures commission merchant ("FCM"). Clients may also choose to use an introducing broker ("IB") to introduce their account to the FCM. Brokerage and other fees charged to the client's account by the FCM or IB may vary significantly and are negotiated between the client and his or her FCM or IB. Hamer Trading may engage in the use of "give-ups": A give-up is a process when execution groups other than the FCM or IB executes the trade. Clients should understand that the commission rate paid by the client to the FCM includes a give-up fee paid by the FCM to the executing broker. Current give-up fees are approximately \$1.30 to \$4.00 per contract per round turn. This fee will be added to the transaction costs paid by the client. Though Hamer Trading will attempt to correct trading errors as soon as they are discovered, it will not be responsible for poor executions or trading errors committed by brokers or FCMs.

Hamer Trading and its principals have no affiliation or business arrangement, directly or indirectly, with any FCM, IB or principal thereof, whereby Hamer Trading or its principals may benefit, directly or indirectly, from the maintenance of a client's account with any FCM or IB. The only compensation earned or to be earned, directly or indirectly, by Hamer Trading from any of the accounts it manages will be from the fees described herein or otherwise specifically negotiated with the client.

CONFLICTS OF INTEREST

Hamer Trading and its principals or employees may trade futures interest contracts for their own accounts. In such proprietary trading, Hamer Trading or such persons may trade their own accounts aggressively and, thus, may assume more risks than Hamer Trading will normally assume on behalf of accounts managed by it. Such trading may be conducted in accordance with the same approach as is used in trading accounts managed by Hamer Trading or pursuant to different approaches or strategies and may be done at brokerage rates which are substantially lower than the rate which clients pay. Because trading for such accounts may be conducted pursuant to different trading approaches or strategies from those employed for clients, trades for such accounts may occur before trades for client accounts or may be opposite to those for client accounts. Accordingly, such proprietary accounts may experience trading results which are substantially different from those experienced by client accounts. The records of such proprietary trading will not be available to clients for inspection. Since Hamer Trading and its principals may trade futures interest contracts for their own proprietary accounts, as described above, it is possible that Hamer Trading and/or its principals may, from time to time, be competing with other accounts managed by Hamer Trading for similar futures interest contract positions in one or several markets or may take positions in their proprietary accounts which are opposite to the

positions taken in client accounts.

Hamer Trading, Inc. will in the future manage and trade additional accounts. Hamer Trading, Inc. will not, however, knowingly or deliberately employ a trading method on behalf of any account which it manages or trades which it knows to be inferior to any trading method which is employed for other accounts of similar size or knowingly or deliberately favor one account over any other such account.

Notwithstanding the foregoing, speculative position limits allow an advisor to control only a limited number of futures contracts in any one commodity. Therefore, Hamer Trading, Inc. is potentially subject to conflicts of interests among the accounts it advises which are competing for a limited number of contracts. Thus, there is a potential conflict of interest between the individual client's interest in maintaining a larger position in a specific futures interest, and Hamer Trading, Inc.'s interest in maintaining a smaller position in an individual client's account in order to provide positions in the specific futures interest to other accounts under management. In addition, Hamer Trading, Inc. may have a conflict of interest in rendering advice because its compensation for managing some other accounts may exceed its compensation for managing a particular client account, and therefore may provide an incentive to favor such other accounts. There are no known actual or potential conflicts of interest presently known to Hamer Trading, Inc. and/or its principals which have not been disclosed herein.

In addition, a conflict of interest exists insofar as the Advisor is compensated on an incentive fee basis. This may increase the likelihood that the Advisor may engage in trading which could be riskier than that which is described in the trading program. The Advisor has no intention in trading in any manner that is not consistent with the trading program described in this document.

SPECIAL DISCLOSURE FOR NOTIONAL FUNDED ACCOUNTS

You should request that your commodity trading advisor (“CTA”) advise you of the amount of cash or other assets (Actual Funds) which should be deposited to the CTA’s trading program for your account to be considered **Fully Funded**. This is the amount upon which the CTA will determine the number of contracts traded in your account and should be an amount sufficient to make it unlikely that any further cash deposits would be required from you over the course of your participation in the CTA’s program. You are reminded that the account size you have agreed to in writing (the “Nominal” or “Notional” account size) is not the maximum possible loss that your account may experience. You should review your account statements received from your FCM in order to determine the actual activity in your account, including profits, losses and current cash equity balance. To the extent that the equity in your account is at any time less than the **Nominal Account Size**, you should be aware of the following:

1. Although your gains and losses, fees and commissions measured in dollars will be the same, they will be greater when expressed as a percentage of account equity.
2. You may receive more frequent and larger margin calls.
3. The conversion chart below accompanies Performance Table and may be used to convert the ROR’s in the capsule to corresponding ROR’s for particular partial funding level.

4. The management fee paid to the Advisor will be calculated based partly on the notional funds in the client's account. As a result, the use of notional funds will increase the amount of management fees that the Advisor will receive from the client for trading the same amount of cash or actual funds. For example, the Advisor may receive a 2% management fee. If a client's account is fully funded the Advisor will receive a management fee of 2% based on the actual funds in the account. If the account, however, is funded at only 50%, i.e., one half actual funds and one half notional funds, the 2% management fee, expressed as a percentage of actual funds, would be 4%.
5. The use of notional funds to increase the leverage at which the Advisor will trade can be expected to increase the occurrences of drawdowns and the volatility of an account. Although, the use of notional funds has the potential of increasing trading profits, there can be no guarantee as to which effect the leverage adjustments will have on an account. If the Advisor utilizes notional funds for additional leverage, the equity in the account will erode much more quickly than if the funds were not used for that purpose in the event the account experiences losing trades.

		Rates of Return Based on Various Levels of Funding				
		100%	80%	60%	40%	20%
Actual ROR %	40	40.00	50.00	66.67	100.00	200.00
	35	35.00	43.75	58.33	87.50	175.00
	30	30.00	37.50	50.00	75.00	150.00
	25	25.00	31.25	41.67	62.50	125.00
	20	20.00	25.00	33.33	50.00	100.00
	15	15.00	18.75	25.00	37.50	75.00
	10	10.00	12.50	16.67	25.00	50.00
	5	5.00	6.25	8.33	12.50	25.00
	0	0.00	0.00	0.00	0.00	0.00
	-5	-5.00	-6.25	-8.33	-12.50	-25.00
	-10	-10.00	-12.50	-16.67	-25.00	-50.00
	-15	-15.00	-18.75	-25.00	-37.50	-75.00
	-20	-20.00	-25.00	-33.33	-50.00	-100.00
-25	-25.00	-31.25	-41.67	-62.50	-125.00	
		100%	80%	60%	40%	20%
		Funding Levels				

CONVERSION CHART FOR ADJUSTED MONTHLY RATES OF RETURN

NOTIONAL FUNDING EXAMPLES

The policy of the Advisor is to increase the trade size (trade more contracts) of the account by:

- 1) Additions to the account from the client
- 2) Any trading profits earned on the account.

It is also the policy of the Advisor to reduce the trade size (trade fewer contracts) of the account by:

- 1) Withdrawals from the account by the client.
- 2) Any trading losses incurred by the account.
- 3) Any incentive / management fees taken from the account

Initial Size

If the client were to open an account with \$100,000 of cash and request that the Advisor use 50,000 of notional funding, the total account that the advisor would base the trading decisions (and thus trade size) on would be \$150,000 (nominal) for all initial positions. All management fees and positions sizes would be based on this \$150,000 (nominal) initial account size.

Effects from a Withdrawal

Let's say that two months from account opening, the client withdraws \$30,000. In this example we will assume there were no losses or gains in the first two months. This brings the total account value to \$120,000. \$100,000 cash less \$30,000 withdrawn = \$70,000 actual plus the original \$50,000 notional = \$120,000 total (nominal). The existing positions would be adjusted (a reduction in size) to accommodate the smaller account and any new positions entered would be typically smaller than those that would have been entered had there not been a withdrawal. The management fees would now be based on the \$120,000 (nominal).

Change in Size Due to Profit or Loss

Using this same example, let's assume the Advisor has a very good run and makes a profit of \$50,000 for the client's account in the first two months without a withdrawal. The client started with \$100,000 cash, agreed to use \$50,000 in notional funds bringing the beginning account size to \$150,000 (nominal). The Advisor generated a \$50,000 profit for the first two months, bringing the total account (nominal) to \$200,000 (\$150,000 in actual funds and still \$50,000 in notional funds). All new trading positions (at this point) would be based on the \$200,000. Management fees would be based on \$200,000 (nominal).

Change in Size Due to Incentive and Management Fees

At the end of each quarter, if an incentive fee has been earned by the Advisor (typically 20% of new trading profits), the trading account would be reduced by this incentive fee. For example, if the account started with \$150,000 nominal (let's say \$100,000 cash and \$50,000 notional). The Advisor earned in trading profits \$50,000 for the account for the quarter bringing the total account value (nominal) to \$200,000. The Advisor would be paid \$10,000 as an incentive fee (20% of the \$50,000 profit). This would reduce the value of the account to \$190,000 (nominal) from which all new trading positions and future management fees would be based. This would leave the account with \$140,000 cash and \$50,000 notional (\$190,000 total /nominal).

PERFORMANCE HISTORY OF THE TRADING ADVISOR

The CFTC requires a commodity trading advisor to disclose to prospective customers the actual performance record of all accounts for which the trading advisor and its principals have had the authority to cause transactions to be effected without clients' specific authorization. All performance information set forth below is current through August 31, 2011.

The Diversified Systematic Program is the offered program in this document.

The capsules that are presented in the following pages are:

- a) Client trading performance of Hamer's **Diversified Systematic Program** (this client account began trading on July 27, 2011). **Page 17.**
- b) A composite of Hamer's **Diversified Systematic Program** (which includes the results of all pools and other accounts managed by Hamer Trading Inc.). This program commenced on September 1999. **Page 19.**
- c) The Hamer Fund, LLC, a commodity pool managed by Hamer Trading, Inc. This program commenced in October, 2001. **Page 21**

Definitions

- **Drawdown** means losses experienced by a trading program over a specified period.
- **Worst Peak to Valley Drawdown** means the greatest cumulative percentage decline in month-end asset value due to losses sustained by a pool or account or trading program during any period in which the initial month-end asset is not equaled or exceeded by a subsequent month-end asset value. Such decline is expressed as a percentage of the initial month-end net asset value, together with an indication of the month and year(s) of the decline from the initial month-end asset value to the lowest month end asset value of such decline.

**CLIENT TRADING PERFORMANCE
OF THE DIVERSIFIED SYSTEMATIC PROGRAM
HAMER TRADING INC.**

Name of the CTA.....Hamer Trading Inc.
 Inception of trading by the Advisor..... August 1998
 Inception of trading by the Advisor pursuant to the trading program..... September 1999
 Number of accounts traded under the program 1
 Total client assets under management (including notional funds)..... \$3,107,999
 Total client assets under management (excluding notional funds) \$1,607,999
 Total client assets traded pursuant to this program(including notional funds)\$3,107,999
 Total client assets traded pursuant to this program(excluding notional funds).....\$1,607,999
 Largest monthly draw-down (1 account)..... (0%) N/A
 Worst peak to valley draw-down (1 account)..... (0%) N/A
 Number of profitable accounts that have closed..... 0
 Number of unprofitable accounts that have closed 0

MONTHLY AND ANNUAL RATES OF RETURN

Month	2011
January	
February	
March	
April	
May	
June	
July	1.54%
August	8.89%
September	
October	
November	
December	
Annual Rate of Return	10.56%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

The year-to-date rates of return represents the compounded rate of return for each year or portion of the year presented and is computed by applying successively the respective monthly rate of return for each month beginning with the first month of that calendar period. Rates of return are after all incentive fees and commissions. No management fees are applicable to this account.

Note: This client account began trading on July 27, 2011. The largest monthly drawdown and the worst peak to valley draw-down listed in the above capsule refers to this client account only. The

rates of returns reflected above are attributable solely to the client account that is trading pursuant to the offered program

**PROPRIETARY TRADING PERFORMANCE
OF THE DIVERSIFIED SYSTEMATIC PROGRAM
HAMER TRADING INC.**

Name of the CTA.....Hamer Trading Inc.
 Inception of trading by the Advisor..... August 1998
 Inception of trading by the Advisor pursuant to the trading program..... September 1999
 Number of accounts traded under the program 1
 Total proprietary assets under management (including notional funds)..... \$15,375,074
 Total proprietary assets under management (excluding notional funds) \$15,375,074
 Total proprietary assets traded pursuant to this program(including notional funds)\$13,865,308
 Total proprietary assets traded pursuant to this program(excluding notional funds).....\$13,865,308
 Largest monthly draw-down (1 accounts).....(8.69%) Dec 2009
 Worst peak to valley draw-down (1 accounts) (13.51%) from Feb, 2006 – July, 2006
 Number of profitable accounts that have closed..... 0
 Number of unprofitable accounts that have closed 0

MONTHLY AND ANNUAL RATES OF RETURN

Month	2011	2010	2009	2008	2007	2006
January	4.11%	-5.17%	-0.36%	11.85%	5.59%	5.39%
February	4.90%	1.28%	0.28%	8.69%	-2.70%	-3.30%
March	-4.73%	7.65%	-2.40%	-2.05%	3.95%	0.65%
April	9.20%	-2.66%	-1.49%	1.78%	7.69%	0.67%
May	-1.58%	-5.60%	8.52%	7.03%	-0.69%	1.12%
June	-2.32%	5.95%	-2.14%	0.11%	-2.95%	-5.47%
July	0.65%	-2.42%	-1.25%	-1.21%	-1.38%	-7.65%
August	7.30%	8.14%	4.11%	7.22%	-8.68%	3.78%
September		4.01%	2.70%	8.92%	1.67%	4.51%
October		9.74%	-4.16%	3.51%	0.65%	-4.34%
November		-1.24%	12.34%	0.70%	5.17%	-0.32%
December		10.07%	-8.69%	2.23%	0.18%	0.48%
Annual Rate of Return	17.97%	31.78%	5.90%	59.65%	7.63%	-5.28%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

The year-to-date rates of return represents the compounded rate of return for each year or portion of the year presented and is computed by applying successively the respective monthly rate of return for each month beginning with the first month of that calendar period. Rates of return are after all incentive fees and commissions. The account paid commissions ranging from \$1.98 to \$12.50 per round turn contract. 20% incentive fees (charged quarterly on new profits) and proforma management fees of 1% (charged monthly at .083%) were also factored.

Note: The offered program trades a portion of the pools assets. The difference in the total assets under management by the CTA and the total assets being traded pursuant to the Diversified Systematic Program is due to the fact that a portion of the pool's assets are invested in bond funds and stocks that are not a part of the offered program. The rates of returns reflected above are attributable solely to the portion of the pool trading pursuant to the offered program.

Note: The performance for the Diversified Systematic program is considered to be proprietary because over 50% of the assets are owned or controlled by the CTA and family members of the CTA.

Note: The Diversified Systematic Program has undergone some changes since inception. The overall strategy of utilizing a systematic approach to the markets has remained the cornerstone of the program. The program initially (1999) started out as solely a long term trend following approach. Beginning in late November 2000, a portion of the funds were allocated to trading short term stock index strategies. This evolved into a short term strategy that encompassed a variety of markets.. The short term strategies were discontinued in November, 2008.

**PROPRIETARY TRADING PERFORMANCE
OF THE HAMER FUND LLC
A Commodity Pool Operated By
HAMER TRADING INC.**

Name of the CPO.....Hamer Trading Inc.
 Inception of trading by the Advisor.....August, 1998
 Inception of trading by the Advisor pursuant to the trading program (fund)..... October 2001
 Total proprietary assets under management (including notional funds)..... \$15,375,074
 Total proprietary assets under management (excluding notional funds) \$15,375,074
 Total proprietary assets traded pursuant to this program (including notional funds) \$15,375,074
 Total proprietary assets traded pursuant to this program (excluding notional funds)..... \$15,375,074
 AggregateGross Subscriptions\$9,430,950
 Largest monthly draw-down..... (11.18%) July, 2006
 Worst peak to valley draw-down.....(27.15%) from May,2006 –Aug, 2007

MONTHLY AND ANNUAL RATES OF RETURN

Month	2011	2010	2009	2008	2007	2006
January	4.45%	-3.27%	-0.61%	11.85%	2.99%	6.54%
February	4.81%	2.62%	-1.94%	8.69%	-4.12%	-3.92%
March	-4.35%	6.40%	-0.74%	-1.96%	1.70%	8.72%
April	8.06%	-1.29%	2.87%	2.03%	6.91%	2.89%
May	-0.67%	-6.82%	10.04%	6.27%	-0.69%	-0.32%
June	-1.96%	5.29%	-1.44%	-1.41%	-2.95%	-6.86%
July	-0.50%	0.11%	1.74%	0.23%	-1.38%	-11.18%
August	5.04%	6.29%	2.88%	6.50%	-8.68%	1.09%
September		4.81%	3.82%	9.31%	1.67%	-0.10%
October		9.76%	-3.32%	3.33%	0.65%	-5.61%
November		-0.64%	10.13%	-0.15%	5.17%	0.20%
December		8.62%	-4.93%	1.87%	0.18%	-0.75%
Annual Rate of Return	15.16%	35.12%	18.72%	56.27%	0.48%	-10.50%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

The year-to-date rates of return represents the compounded rate of return for each year or portion of the year presented and is computed by applying successively the respective monthly rate of return for each month beginning with the first month of that calendar period. Rates of return are after all incentive fees and commissions. The accounts paid commissions ranging from \$1.98 to \$12.50 per round turn contract. 20% incentive fees (charged quarterly on new profits) and management fees of 1% (charged monthly at .083%).

Note: The current nominal account value of this account is: \$ 15,375,074

