Disclosure Document of Zephyr Asset Management, LLC

ZEPHYR ASSET MANAGEMENT, LLC a Commodity Trading Advisor
Registered with the Commodity Futures Trading Commission
And a Member Firm of the National Futures Association

ZEPHYR ASSET MANAGEMENT, LLC

No person is authorized by **Zephyr Asset Management, LLC** to give any information or to make any representations not contained herein.

The delivery of this Disclosure Document does not imply that the information it contains is correct subsequent to the date shown below.

THE COMMODITY FUTURES TRADING COMMISSION HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN THIS TRADING PROGRAM NOR HAS THE COMMISSION PASSED ON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.

The date of first intended use of this Disclosure Document is
November 16, 2007

RISK DISCLOSURE STATEMENT

THE RISK OF LOSS IN TRADING COMMODITIES 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 FUTURE, OR SELL A COMMODITY OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS 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 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 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 A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE ADVISOR. A DISCRIPTION OF THE FEES CAN BE FOUND ON PAGE 14.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY MARKETS. YOU SHOULD, THEREFORE, CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THESE INVESTMENTS ON PAGE 10.

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.

TABLE OF CONTENTS

Page #

DESCRIPTION OF THE ADVISORS

Zephyr Asset Management, LLC (the Advisor) is a Maryland Limited Liability Company formed in August of 2004. Zephyr Asset Management, LLC became registered as a commodity trading advisor (CTA) with the Commodity Futures Trading Commission (the CFTC) and a member of the National Futures Association (the NFA) in September 2004. The Advisor's address is 2509 Coxshire Lane, Davidsonville Maryland 21035. The telephone number is (800) 592-8026.

Kevin MacLean is Managing Director of Zephyr Asset Management, LLC. Mr. MacLean became a principal of the firm on September 17, 2004 and an associated person on October 13, 2004. Mr. MacLean worked on the floor of the Chicago Mercantile Exchange from 1992 until April 2003 carrying out a range of different responsibilities. Mr. MacLean was responsible for the Bear Stearns Options Desk from April 1996 through February 2000. At Bear Sterns Mr. MacLean managed the order flow and execution of clients trading accounts. Mr. MacLean became a registered floor broker after leaving Bear Sterns and initiated the development and implementation of a futures and options Arbitrage desk specializing in the trading of S&P 500 futures contracts for Fimat USA/Societe Generale in February 2000. Mr. MacLean then operated as Vice President of Institutional Sales for Fimat USA/Societe Generale and was responsible for advising his clients on option strategies in addition to placing discretionary trades. Upon leaving Fimat USA/Societe Generale in October 2001, Mr. MacLean established his own trading desk specializing in the trading of S&P 500 futures options where he cleared through LFG, Refco. Mr. MacLean was responsible for executing trades for his clients worth more then 100 million. In April 2003 Mr. MacLean left the floor and began trading private clients funds. In August 2004, Mr. MacLean joined forces with Mr. Natoli to form Zephyr Asset Management, LLC.

Joseph Natoli is Managing Director of Zephyr Asset Management, LLC. Mr. Natoli became a principal of the firm on September 15, 2004 and an associated person on September 17, 2004. Mr. Natoli earned his MBA from George Washington University. Mr. Natoli began working for Chesapeake Investment Services in July of 1998 under the President, Yu-Dee Chang. In November of 2000 I became registered as an Associated Person with the NFA. As the Trading Desk Manager, Mr. Natoli was responsible for 20 million dollars in client assets. In his role as Trading Desk Manager he was responsible for advising clients on option strategies, placing discretionary trades and for executing the trading strategies used at Chesapeake Investment Service. These strategies included the selling of options on the S&P 500 Futures contract as well as many other commodities such as crude oil, gold and silver. Mr. Natoli was also responsible for going long or short other commodities such as wheat, soybeans and cotton. Mr. Natoli was constantly evaluating the commodity markets in relationship with the clients existing positions and determining if modifications were required as well as observing over 20 different markets looking for opportunities. This was accomplished through a combination of technical analysis and fundamental analysis. Mr. Natoli has been involved with the stock markets for over 15 years. Mr. Natoli left the firm in May of 2003 and began trading private client funds. In August 2004, Mr. Natoli joined forces with Mr. MacLean to form Zephyr Asset Management, LLC.

THE TRADING STRATEGY

Zephyr Asset Management, LLC is a trading advisor that studies financial markets with the goal of developing and implementing strategies to generate better than average growth to investment portfolios. Zephyr Asset Management, LLC's trading strategies seek to be flexible enough to profit in rising markets as well as declining markets. (The potential for loss is, of course, also equal.) Additionally, Zephyr Asset Management, LLC trading strategy has the potential to perform well in both inflationary and deflationary periods (unlike stocks).

The Zephyr Asset Management strategy is based on the belief that investments in stock indexes, not individual stocks or sectors, hold more possibilities for growth than day trading, swing trading, trend following and "buy and hold" strategies. Zephyr Asset Management, LLC believes that their approach to investing will continue to be more effective in repairing the damage that was caused to portfolios by the bear market beginning in 2000 and in generating growth to new portfolios. The markets do not operate in a static environment. They are constantly changing. In order for Zephyr Asset Management, LLC strategies to continue to work it is necessary to continually evaluate where we have been and where we are going and adjust accordingly.

Zephyr Asset Management, LLC trading strategy incorporates five vital elements; fundamental analysis, technical analysis, strategy, money-management and risk assessment. Fundamental analysis is the study of the economic environment, both macro and micro. It is the study of supply and demand, interest rate policy, labor productivity and monetary policies. Fundamental analysis also considers the state of our economy as well as the global economic and political situation. The use of fundamentals assists in recognizing potential trading opportunities and aids in determining what the market is thinking and how it might react. Technical analysis is the study of price movement in the context of statistical and probability outcomes. It is the study of price pattern histories in order to predict how prices might react in the future. The use of technical analysis assists in determining a more favorable entry or exit of Zephyr Asset Management, LLC positions.

After assessing both fundamental and technical conditions of the market Zephyr Asset Management, LLC then ascertain the best strategy. At the present time Zephyr Asset Management, LLC believes that the selling of premium through the S&P 500 futures index is the best strategy. Proper money management is imperative to the long term success any portfolio. We understand the importance of this issue and are constantly implementing proper money management techniques. The final element to our plan is risk assessment. We are continually analyzing the markets to ascertain the risks. Risk assessment and money management work together. There are times when we are fully positioned in the markets and times when we are not depending on Zephyr Assets Management, LLC opinions of the risk assessment. Although risks cannot be eliminated and profits cannot be guaranteed through money management and risk control, these two steps are vital for the long-term growth we wish Zephyr Asset Management, LLC clients to attain.

Zephyr Asset Management, LLC will take advantage of the financial markets using diversified strategies. Some of these strategies involve the selling of time (calls and puts) on stock indices or other suitable commodities. At times we may purchase calls and puts to reduce margin or to take advantage of what we believe will be a profitable trade based on market conditions. We look for investment opportunities trying to capitalize on the fear and greed of the average investor. Zephyr Asset Management, LLC will follow a long-term plan for portfolio growth and protection. There are times when Zephyr Asset Management, LLC is not in the markets at all and others when we are fully invested.

At present, the main strategy that best meets Zephyr Asset Management, LLC criteria for effective growth to risk management is one that focuses on the writing (selling) of options using the S&P 500 Futures contract. There are three different programs depending on ones risk tolerance. Our first program is called the Aggressive Program and it is the most aggressive with a goal of returning 22% - 32% per year. Our second program is called the Moderate Program and is less aggressive, with a goal of returning 18% - 25% per year. Our third program and least aggressive is called the Conservative Growth program and is a variation of the Moderate and Aggressive program. This program offers some downside risk protection in the event of a severe downturn in the S&P 500 futures contract. It also incorporates the full use of short term T-Bills. By design the program will have a limited upside potential. The goal is targeted at 11%-14% annually net of fees. Please refer to page 17 through 19 for the performance record for the three programs. **There is no guarantee that past performance will be the same as future performance. There is no guarantee that we will achieve the goals we have set for the programs in the future.** The goals should be used in conjunction with the amount or risk associated with the program. The difference in the three programs is determined by the quantity of contracts used and the closeness of the contract to the current trading range. The Aggressive Program may contain the same strike prices as the Moderate Program but may have more positions. In addition, the Aggressive Program will have strike prices closer to the underlying index. All of the programs are based on the selling of calls and puts using the S&P 500 futures contract. In the Conservative Growth program we incorporate, to a limited degree, the purchasing of puts.

If there is another terrorist attack the drawdown could be severe depending on many factors including our positions and the length of time until expiration.

The objective of our strategy is to achieve substantial capital appreciation through the speculative trading of options on the S&P 500 futures contract. This entails a comparatively high level of risk. Zephyr Asset Management, LLC currently engages in this strategy of selling or “writing” options (puts and calls) on stock index futures. However, in the future, Zephyr Asset Management, LLC may trade a broader portfolio of options, futures and cash markets including agricultural products, metals, currencies, financial instruments, stock and financial and economic indices. For the purpose of this program all trading will be completed on exchanges located in the United States.

As stated above, the main strategy of Zephyr Asset Management, LLC is one of selling or “writing” options on stock index futures, though if we see an opportunity, other indexes may be used. The seller (writer) of an option risks losing the difference between the premiums received for the option and the price of the underlying futures contract that the writer must purchase upon exercise of the option. This could subject the writer (us) to unlimited risk in the event of an increase in the price of the contract to be purchased or delivered. Zephyr Asset Management, LLC may also, from time to time, purchase options to decrease margins or to be long or short a specific market.

Options consist of two components, intrinsic value and time value. Intrinsic value is the amount the option is in the money and time value is the premium received less intrinsic value. Zephyr Asset Management, LLC mainly uses out of the money options, thus there is no intrinsic value, only time value.

Determining the trading range, the individual strike prices and the quantity of calls and puts is dependent upon the five-part strategy we explained above. In analyzing the strike price we take into consideration prices of the options, where volatility is and how much time remains until expiration. In the beginning of the period we may be 10% away from the current level of the S&P 500 Futures price, with only one week left we may be 3% or less away. The percentages constantly change depending on market activity and the particular program you are in. There is no guaranteed safe percentage that can be used.

How It Works

The first step is analyzing the fundamental environment of the market: Zephyr Asset Management, LLC then determines the current trading range using technical analysis. In essence, we are trying to determine where the market will not go, as this is often easier then determining where the market will go. Call and put options are sold at different strike prices above and below the predicted trading range. This is generally, but not always, within 5 to 90 days of expiration. If the market remains within the expected range and does not produce a strong move in either direction then the options sold will expire worthless. Zephyr Asset Management, LLC is different than the average person who buys options. We know that most often, options expire at a loss to the buyer and a gain to the seller. The reason for this is simple. In order to make money buying an option you have to be correct on three fronts: timing, direction and volatility. To make money selling options you do not have to be correct on all three variables, most often one is enough. When selling options time is our friend, unlike that of an option buyer, in that each day the option is losing time value or decaying in price.

In the event the market makes a strong move in one direction then it might be necessary to buy back the option before expiration. The strongest determining factor is time. The farther away we are from expiration the more likely it will be to cover the option at a loss. Several other reason for covering the position include to protect profits, to increase the profit potential for the next expiration period, to avoid or minimize a likely loss, or to free up margin to take advantage of a different opportunity. The selling of premium is repeated continuously, market conditions permitting. This strategy helps to maximize a profitable outcome for the client regardless of the direction of the price movement of the underlying index, so long as the index price remains within the range of the strike prices of the options sold. This strategy creates a potentially profitable scenario, although not guaranteed, in all types of markets

The strategies' main benefit is its flexibility. Zephyr Asset Management, LLC is able to adjust for individual's risk tolerance. This is done by selling calls and puts farther outside the range for a conservative person and closer to the actual range for a client who wishes to be more aggressive. In addition, there is the ability to adjust the number of options on either the put side or the call side, which allows us to adjust to an index's price movement in any one direction. There is continuous monitoring of positions in relationship to the price movement of the market, volatility and economic and political developments, both here in the United States and abroad. Flexibility allows us to change the trading range whenever it becomes advantageous or necessary. This is always done at the end of expiration but can also be done mid expiration if the conditions merit.

AFFILIATIONS WITH FUTURES COMMISSION MERCHANTS AND INTRODUCING BROKERS

Client funds for trading an Advisor's program may not be held by the Advisor. They must be held by a Futures Commission Merchant (FCM), whose role includes the record keeping of funds and fees and providing the client with statements of his account. Clients are free to engage the FCM of their choice. The client is free to select the Introducing Broker of their choice.

COMMODITY TRADING BY THE ADVISOR

The Advisor will trade commodity interests for its own account in addition to the accounts of its principals. These accounts may or may not use the same methods being employed to trade client accounts. These records are available for inspection by the client. Trading activity in these accounts may differ from the trading activity in the accounts the Advisor manages. Such trading may be more or less aggressive than their client's accounts. In fact, it is possible that the positions taken by the Advisor may not be held for the same period of time as, and may even be opposite to, those positions taken by the Advisor on behalf of the accounts it manages.

ACCOUNT TYPES

Zephyr Asset Management accepts individual accounts, institutional accounts, regular IRA's and self directed IRA's. For self directed individual retirement accounts, the Advisor will cease all trading for the account if the account experiences a drawdown in excess of 50%of the original equity. At such time, the client will have the option to terminate the account and liquidate all remaining balances, with such liquidation occurring as soon as administratively feasible. Due to the volatile nature of the market, Zephyr Asset Management cannot guarantee that any drawdown in the account can be limited to the percentage indicated above.

CONFLICTS OF INTEREST

Zephyr Asset Management LLC may pay persons or firms who introduce accounts to it a portion of the fees it receives from such accounts. As a result, persons or firms who introduce your account to Zephyr Asset Management LLC may have an incentive to do so based on the payments they will receive.

Zephyr Asset Management LLC may enter into an arrangement with the FCM to be compensated on a per trade basis, there fore Zephyr Asset Management LLC would have an incentive to overtrade the account to increase compensation to Zephyr Asset Management LLC. Currently we are being compensated from R.J.O'Brien at a rate of $2.00 per round turn.

The Advisor will trade commodity interests for its own account in addition to the accounts of its principals. These accounts may or may not use the same methods being employed to trade client accounts and may be more or less aggressive than that engaged for clients accounts. It is possible that the positions taken by Zephyr Asset Management LLC and its principals will be held longer or shorter and may even be opposite to those positions taken on behalf of the accounts it manages. The commodities traded in these accounts may differ from those traded in client's accounts.

Zephyr Asset Management LLC will manage the accounts of a number of customers and actively solicit the accounts of individuals, institutions and pools. Certain accounts may pay more or less in fees then others and certain accounts may have significantly larger amounts committed to commodity interest trading then others. Consequently, it may be implied that Zephyr Asset Management LLC may have a financial incentive to favor on account over another. Zephyr Asset Management LLC intends to use the same methods and strategies regardless of the account size. Zephyr Asset Management LLC will never knowingly or deliberately favor the account of any client over the account of another client. However, this is not to say that all accounts will achieve the same rates of return.

RISK FACTORS

BELOW ARE SOME OF THE RISKS INVOLVED IN THIS PROGRAM. THE FOLLOWING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL CLIENTS SHOULD READ THIS ENTIRE COMMUNICATION, AND FAMILIARIZE THEMSELVES WITH FUTURES TRADING BEFORE DECIDING WHETHER TO INVEST IN THE PROPOSED PROGRAM.

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. AN INVESTMENT IN THE PROGRAM OFFERED IS SPECULATIVE AND INVOLVES A SUBSTANTIAL RISK OF CAPITAL LOSS.

Options (Unlimited Risk)

The seller (writer) of an option risks losing the difference between the premiums received for the option and the price of the underlying futures contract that the writer must purchase upon exercise of the option. This could subject the writer (us) to unlimited risk in the event of an increase in the price of the contract to be purchased or delivered.

Commodity Trading is Speculative and Volatile

Prices on commodities and options on these commodities are highly volatile. Price movements for commodities and options on these commodities are influenced by, among other things: changing supply and demand relationships; weather; agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments; United States and foreign political and economic events and policies, terrorist attacks whether here in the United States or abroad; changes in national and international interest rates and rates of inflation; currency devaluations and reevaluations; and emotions of the marketplace. None of these factors can be controlled by ZEPHYR ASSET MANAGEMENT, LLC and no assurance can be given that ZEPHYR ASSET MANAGEMENT, LLC's advice will result in profitable trades for a participating Client or that a Client will not incur substantial losses

Commodity Trading is Highly Leveraged

The markets in which Zephyr Asset Management, LLC trade in on behalf of Clients is highly leveraged and involves a high degree of risk. Clients of ZEPHYR ASSET MANAGEMENT, LLC, due to the nature of the futures and options on the futures markets, incur a significant risk of substantial capital loss. It is possible to lose more money than was initially deposited when opening the account. The client is responsible for all losses. The low margin deposits normally required in commodity and options trading (typically 2% to 15% of the value of the contract purchases or sold) permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses to the Client. For example, if at the time of purchase 10% of the price of a futures contract were deposited as margin, a 10% decrease in the price of the contract would, if the contract were then closed out, result in a total loss of the margin deposit before any deductions for brokerage commissions. A decrease of more than 10% would result in a loss of more than the total margin deposit. Thus, like other leveraged investments, any trade may result in losses in excess of the amount invested. When the market value of a particular open position changes to a point where the margin on deposit in a participating Client's account does not satisfy the applicable maintenance margin requirement imposed by the FCM, the Client, and not ZEPHYR ASSET MANAGEMENT, LLC, will receive a margin call from the FCM. If the Client does not satisfy the margin call within a reasonable time (which may be as brief as a few hours), the FCM will close out the Client's position. All funds deposited in the account must represent risk capital. Clients acknowledge that no "safe" trading system has ever been devised and that no one can guarantee profits or freedom from loss in trading commodity futures and options thereon.

Speculative Positions Limits

The existence of speculative position limits may limit the number of futures and option positions Zephyr Asset Management LLC. can control for any account limiting or reducing profit opportunities.

Fees

Accounts will incur substantial fees and expenses regardless of whether profits are realized, including management fees, give up fees and brokerage fees.

Commodity Trading May Be Illiquid

Most United States commodity exchanges limit price fluctuations in certain commodity interest prices during a single day by means of "daily price fluctuation limits" or "daily limits." The daily limit, which is set by most exchanges for all but a portion of the expiration month, imposes a floor and a ceiling on the prices at which a trade may be executed, as measured from the last trading day's close. While these limits were put in place to lessen margin exposure, they may have certain negative consequences for a Client's trading. For example, once the price of a particular contract has increased or decreased by an amount equal to the daily limit, thereby producing a "limit-up" or "limit-down" market, positions in the contract, both futures and options, can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Contract prices in various commodities have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent ZEPHYR ASSET MANAGEMENT, LLC from promptly liquidating unfavorable positions and subject a participating Client to substantial losses that could exceed the margin initially committed to such trades.

No Intrinsic Value to Investments

The program offered hereby can neither be successfully considered on a stand-alone basis nor provide beneficial diversification to a portfolio unless it trades successfully. Clients will not acquire assets with intrinsic value. The program offered hereby is entirely speculative and is not based on the appreciation in value of any asset.

There can be no assurance whatsoever that ZEPHYR ASSET MANAGEMENT; LLC will be able to generate profits for its Clients by participating in the risk transfer markets in which it will concentrate its trading operations.

Failure of Brokerage Firms

Under CFTC regulations, FCMs are required to maintain customer assets in a segregated account. If a Client's FCM fails to do so, the Client may be subject to risk of loss of funds in the event of its bankruptcy. Even if such funds are properly segregated, the Client may still be subject to a risk of a loss of his funds on deposit with the FCM should another customer of the FCM or the FCM itself fail to satisfy deficiencies in such other customers' accounts. Bankruptcy law applicable to all U.S. futures brokers requires that, in the event of the bankruptcy of such a broker, all property held by the broker, including certain property specifically traceable to the customer, will be returned, transferred or distributed to the broker's customers only to the extent of each customer's pro-rata share of all property available for distribution to customers. If any futures broker retained by a Client were to become bankrupt, it is possible that the Client would be able to recover none or only a portion of its assets held by such futures broker.

Possible Regulatory Changes

There has been significant international governmental concern expressed about, for example, (i) the disruptive effects of speculative trading on central banks' attempts to influence exchange rates, and (ii) the need to regulate the derivatives markets in general. In the current environment, perhaps more than in prior periods, prospective Clients must recognize the possibility of future regulatory changes altering, perhaps to a material extent, the nature of an investment in the program offered hereby.

Limited Portfolio May Result in Increased Volatility

Trading a limited portfolio may result in Clients experiencing greater performance volatility and greater risk of loss than would be experienced by a more diversified portfolio.

Changes in Trading Approach

ZEPHYR ASSET MANAGEMENT, LLC may make material changes in the trading approaches, which it implements. It is impossible to predict how such changes may affect trading on behalf of ZEPHYR ASSET MANAGEMENT, LLC's Clients. Clients will be informed of any change in ZEPHYR ASSET MANAGEMENT, LLC's trading approach that ZEPHYR ASSET MANAGEMENT, LLC considers being material.

Dependence of the Clients on Zephyr Asset Management, LLC

Clients are dependent upon the services of ZEPHYR ASSET MANAGEMENT, LLC. The incapacity of ZEPHYR ASSET MANAGEMENT, LLC's principals could have a material and adverse effect on ZEPHYR ASSET MANAGEMENT, LLC's ability to discharge its obligations under the Client's Investment Management Agreement.

Increasing the Assets Managed by Zephyr Asset Management, LLC May Degrade Returns

There appears to be a tendency for the rates of return achieved by advisors to degrade as assets under management increase. ZEPHYR ASSET MANAGEMENT, LLC has not agreed to limit the amount of additional equity, which it may manage, and is actively engaged in seeking major new accounts. .

Uncovered Option Strategy

The profitability of a trading strategy consisting of selling ("writing") uncovered options on an index depends upon the subsequent price movement of the index. If Zephyr Asset Management, LLC writes calls on an index, and the calls are not covered (bought back) before their expiration, the strategy will be profitable if the index is below the strike price of the call when the call expires. If the index is above the strike price of the call when the call expires, the strategy may produce a potentially unlimited loss.

If Zephyr Asset Management, LLC writes puts on an index, and the puts are not covered (bought back) before their expiration, the strategy will be profitable if the index is above the strike price of the puts when the puts expire. If the index is below the strike price of the puts when the puts expire, the strategy may produce an almost unlimited loss.

It is the intention of Zephyr Asset Management, LLC to write mainly "out-of-the-money" puts and calls, which means that it will write puts which have strike prices below the current price of the index, and write calls which have strike prices above the current price of the index. Thus, if the index remains near its current price until the options expire, both the puts and the calls will be profitable. If the index moves up above the strike price of the calls, the calls may be unprofitable. If the index moves down the below the strike price of the puts, the puts may be unprofitable.

Zephyr Asset Management, LLC, at times will also purchase options, which are further out of the money than the ones, which it has written.

In general, this strategy should be profitable when an index price remains constant. It can be unprofitable when an index makes large moves either up or down.

TAX ASPECTS

The client is able to take advantage of a tax benefit because we trade in the futures market. Due to an agreement between the U. S. Treasury Department and Congress, all gains earned from futures trades are taxed as if they were made up of 60% long term capital gains and 40% short term capital gains. This means that the 60% of the gain is subject to a federal tax rate of only 15% for long term capital gains, compared to your current tax bracket. The tax impact can be very advantageous especially to those in the higher income tax bracket.

PROSPECTIVE CLIENTS SHOULD CONSULT WITH THEIR OWN TAX ADVISERS BEFORE DECIDING WHETHER TO OPEN AN ACCOUNT WITH ZEPHYR ASSET MANAGEMENT, LLC.

FEES

Each client is generally required to pay Zephyr Asset Management, LLC a monthly management fee of 1/12 of 2% of the account's ending Net Asset Value, regardless as to performance for the previous month, and an incentive fee of 20% of new monthly trading profits. Trading profits to the client are equal to the sum of gain/(loss) realized from closure of trade positions during the period minus commissions and fees charged on those transaction, plus the change in unrealized profit/(loss), minus commissions and fees, minus management fees, minus incentive fees and plus cumulative net realized losses, if any, carried forward from proceeding periods. No incentive fees shall be paid to the advisor until future trading profits for the ensuing period exceed any carry forward loss. With the regard to carry forward loss, if funds are withdrawn during a period by reason of decreasing the trading level or withdrawal of account equity when there is such a carry forward loss, the loss shall be reduced at the time of withdrawal by the amount of the withdrawal. Thus, if the account experiences a loss after an incentive fee is paid, Zephyr Asset Management, LLC will retain the payment but will not receive another incentive fee until the account has subsequent trading profits. In addition, there will be commissions charged from your broker as well as give up fees. The expected range for commissions is between $10.00 -$30.00 and gives up fees of $1.00 – $2.50. Currently Zephyr Asset Management is being compensated from R.J.O'Brien at a rate of $2.00 per round turn. Zephyr Asset Management may in the future enter into agreements with other FCM's but the range of commissions is expected to stay the same. Zephyr Asset Management, LLC may pay persons or firms who introduce accounts to it a portion of the fees it receives from such accounts. Zephyr Asset Management, LLC reserves the right to modify the management fee and incentive fee.

Net Asset Value

Net asset value means the account's total assets less total liabilities, determined according to the following principles, and where no principle is governing, then on the basis of generally accepted accounting principles, consistently applied.

(a) Net Asset Value shall include any unrealized profit or loss on open positions.

(b) All open positions shall be valued at their then market value which means, with respect to open positions, the settlement price as determined by the exchange on which the transaction is effected or the most recent appropriate quotation as supplied by the account's commodity broker or banks through which the transaction is effected. If there are no trades on the date of the calculation due to operation of the daily price fluctuation limits or due to a closing of the exchange on which the transaction is executed, the contract will be valued at the nominal settlement price as determined by the exchange.

(c) Brokerage commissions and fees shall be treated as a liability of the account upon the initiation of a position. Incentive fees payable to the Zephyr Asset Management, LLC on Trading Profits shall be accrued for purposes of calculating Net

Asset Value.

Trading Profits

For purposes of calculating the Zephyr Asset Management, LLC's incentive fee only; trading profits during a month shall mean the cumulative profits (over and above the aggregate of previous Period profits) after deduction for accrued brokerage commissions. Trading profits shall include both realized and unrealized profits received by the account on its assets. If Trading profits for a period are negative, it shall constitute a loss for the beginning of the next period. No incentive fees shall be payable to Zephyr Asset Management, LLC until future trading profits for the ensuing period exceed the Loss. To the extent amounts are withdrawn from the account at a time when the account has a loss, any loss attributed to such amounts shall not be carried forward to reduce future Trading Profits.

Payment of Fees

Management and incentive fees are typically paid to Zephyr Asset Management, LLC by the client from funds in the client's account in accordance with the FCM. If Zephyr Asset Management, LLC has not received payment within fifteen (15) days of invoicing, the client will be notified, with a copy to his FCM. If payment still has not been received within ten (10) days after notice date, Zephyr Asset Management, LLC reserves the right to liquidate all positions in the account and will have no liability for losses. When an account closes, the Client authorizes the FCM to pay any fees due from the account upon receipt by such party of a billing statement from Zephyr Asset Management, LLC. Zephyr Asset Management, LLC, will send a copy of the final billing statement to the client

Capsule Introduction

Below are the performance capsules. The Moderate Program, Aggressive Program and Conservative Growth Program, which contain client's monies, are first. The proprietary accounts are next. The Aggressive Proprietary account is the only one still trading. The Conservative Growth proprietary account stopped trading on April 2007. The Put Protection Program contained client's funds but trading ceased in December 31, 2005. New accounts take approximately six to eight weeks to become completely integrated in our system. During these months the new accounts may experience different rates of return.

CAPSULE PERFORMANCE TABLE

MODERATE PROGRAM

Name: Zephyr Asset Management
Name of Trading Program: Moderate Program
Inception of Trading By CTA: September 2003 (see note below)
Inception Trading in Offered Program: September 2003
Current Number of Accounts in Offered Program: 73
Total Assets Under Management: $11,020,163
Total Assets Under Management in Offered Program: $6,191,312
Largest Monthly Drawdown: -14.25% (August 07)
Worst Peak-to-Valley Draw Down: -19.65% (Jan. 07-Aug 07)
Number of Profitable Accounts Closed: 18 (range of 0.01% - 17.50%)
Number of Losing Accounts Closed: 19 (range of 0.04% - 26.14%)
Minimum Investment: $50,000.00

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

MODERATE PROGRAM

Month	2007	2006	2005	2004	2003
January	1.93%	0.74%	2.94%	4.10%	
February	-9.59%	1.83%	1.06%	3.51%	
March	1.22%	2.57%	2.39%	4.48%	
April	-1.16%	1.03%	1.95%	3.44%	
May	6.89%	-2.98%	1.86%	3.37%	
June	2.01%	2.95%	2.31%	3.47%	
July	-5.40%	-2.88%	-2.62%	2.60%	
August	-14.25%	3.52%	3.44%	3.16%	
September	5.63%	0.51%	2.85%	1.38%	2.84%
October	3.36%	0.90%	-1.07%	1.74%	5.17%
November		2.44%	3.12%	-2.98%	2.95%
December		1.92%	.82%	2.43%	1.81%
Year to date	-10.96%	13.03%	20.59%	35.13%	13.37%

Notes to Performance Summary: Moderate Program

Since inception the account has returned 85.91%. Prior to October 2004 Joe Natoli provided advice to 15 or fewer people and as such was not required to register as a CTA per Commodity Futures Trading Commission (CFTC) regulations. Performance is net of fees and commissions. Our largest drawdown occurred in August of 2007. We received a “risk call” from the clearing firms and were forced out of our positions at a substantial loss. We were with in margin requirements but were forced out none the less. Since then we have taken appropriate steps to eliminate a “risk call”. “Largest monthly drawdown” is the largest monthly loss experienced by all accounts included in the capsule in any calendar month expressed as a percentage of total equity and includes the month and year of such draw down.

CAPSULE PERFORMANCE TABLE

AGGRESSIVE PROGRAM

Name: Zephyr Asset Management, LLC
Name of Trading Program: Aggressive Program
Inception of Trading By CTA: September 2003
Inception Trading in Offered Program: July 2005
Current Number of Accounts in Offered Program: 26
Total Assets Under Management: $11,020,163
Total Assets Under Management in Offered Program: $4,562,324
Largest Monthly Drawdown: -10.73% (August 07)
Worst Peak-to-Valley Draw Down: -15.67% (June 07- Aug 07)
Number of Profitable Accounts Closed: 9 (0.15% - 15.7%)
Number of Losing Accounts Closed: 6 (0.04% - 17.90%)
Minimum Investment: $ 100,000.00

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

AGGRESSIVE PROGRAM

Month	2007	2006	2005	
January	2.65%	0.35%		
February	-6.87%	1.86%		
March	1.87%	2.83%		
April	-1.19%	1.00%		
May	6.49%	-3.99%		
June	2.07%	4.14%		
July	-5.53%	-2.2%	-1.55%	
August	-10.73%	3.68%	3.22%	
September	5.45%	0.75%	2.72%	
October	1.11%	2.01%	-.02%	
November		2.81%	2.52%	
December		1.87%	1.02%	
Year to date	-5.95%	15.85%	7.89%	

Notes to Performance Summary: Aggressive Program

In July 2005 the aggressive program began trading client accounts. Please see the performance for the proprietary account below for a longer track record. The proprietary account and client accounts are traded the same way. The proprietary account is calculated using 2% management fee and 20% incentive fee. Difference in the performance can be explained by commission costs and interest income as well as an influx of money into the program during a particular month. Our largest drawdown occurred in August of 2007. We received a “risk call” from the clearing firms and were forced out of our positions at a substantial loss. We were with in margin requirements but were forced out none the less. Since then we have taken appropriate steps to eliminate a “risk call”. “Largest monthly drawdown” is the largest monthly loss experienced by all accounts included in the capsule in any calendar month expressed as a percentage of total equity and includes the month and year of such draw down.

CAPSULE PERFORMANCE TABLE

Conservative Growth

Name: Zephyr Asset Management
Name of Trading Program: Conservative Growth Program
Inception of Trading By CTA: September 2003 (see note below)
Inception Trading in Offered Program: May 2007
Current Number of Accounts in Offered Program: 4
Total Assets Under Management: $11,020,163
Total Assets Under Management in Offered Program: $266,527
Largest Monthly Drawdown: -.93% (July 07)
Worst Peak-to-Valley Draw Down: -.96% (May 07- July 07)
Number of Profitable Accounts Closed: 0
Number of Losing Accounts Closed: 0
Minimum Investment: $50,000.00

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

CONSERVATIVE GROWTH PROGRAM

Month	2007	2006		
January				
February				
March				
April				
May	.16%			
June	-.03%			
July	-.93%			
August	.71%			
September	-.04%			
October	-.52%			
November				
December				
Year to date	-.66			

Notes to Performance Summary: Conservative Growth Program
Performance is net of fees of 2% management fee, 20% incentive fee and commissions. Commissions were charged at $18.00 a round turn. “Largest monthly drawdown” is the largest monthly loss experienced by all accounts included in the capsule in any calendar month expressed as a percentage of total equity and includes the month and year of such draw down.

CAPSULE PERFORMANCE TABLE

PUT PROTECTION

Name: Zephyr Asset Management, LLC
Name of Trading Program: S&P Put Protection
Inception of Trading By CTA: September 2003
Inception of Trading in Offered Program: January 2005
Current Number of Accounts in Offered Program: 0
Total Assets Under Management: 11,020,163
Total Assets Under Management in Offered Program: $0.0, Stopped trading 12/31/05
Largest Monthly Drawdown: 1.79% (February 05)
Worst Peak-to-Valley Draw Down: 3.04% (January 05 – March 05)
Number of Profitable Accounts Closed: 11 (profitability ranged from 0.09% - 5.23% (7 accounts changed to a different program)
Number of Losing Accounts Closed: 4 (range of -0.22% through -3.16%)

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

CAPSULE PERFORMANCE TABLE

Month	2005	
January	2.26%	
February	-1.79%	
March	-1.25%	
April	1.06%	
May	0.23%	
June	1.49%	
July	0.15%	
August	0.45%	
September	0.81%	
October	-0.60%	
November	0.81%	
December	-0.17%	
Year to date	3.44%	

Notes to performance Summary: S&P Put Protection Program

The above account is not a proprietary account. Performance is net of fees and commissions. This program stopped trading on December 31, 2005. “Largest monthly drawdown” is the largest monthly loss experienced by all accounts included in the capsule in any calendar month expressed as a percentage of total equity and includes the month and year of such draw down.

CAPSULE PERFORMANCE TABLE

AGGRESSIVE PROGRAM

Proprietary Account

Name: Zephyr Asset Management, LLC
Name of Trading Program: Aggressive Program
Inception of Trading By CTA: September 2003
Inception Trading in Offered Program: September 2003
Current Number of Accounts in Offered Program: 1
Total Assets proprietary Under Management in Offered Program: $150,000
Largest Monthly Drawdown: -10.89% (Aug 07)
Worst Peak-to-Valle Draw Down: -14.64% (June 07-Aug 07)
Number of Profitable Accounts Closed: 0
Number of Losing Accounts Closed: 0

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

AGGRESSIVE PROGRAM

Month	2007	2006	2005	2004	2003
January	3.59%	0.35%	3.43%	0.00%	
February	-5.23 %	2.94%	0.39%	5.96%	
March	2.74%	3.12%	2.69%	2.29%	
April	-1.42%	1.22%	2.18%	6.27%	
May	7.36%	-3.86%	2.82%	2.86%	
June	2.13%	4.40%	1.20%	4.80%	
July	-4.21%	-2.12%	-1.76%	3.97%	3.72%
August	-10.89%	3.75%	3.76%	4.46%	5.11%
September	6.51%	1.32%	2.82%	2.04%	4.37%
October	2.14%	2.57%	0.39%	2.02%	6.56%
November		2.93%	2.01%	-2.26%	4.00%
December		1.90%	1.06%	2.24%	4.59%
Year to date	1.24%	19.79%	23.01%	40.53%	31.88%

Notes to Performance Summary: Aggressive Program

In January of 2004 there was no trading due to a change in brokers. Since inception the account has returned 175.91%. Performance is net of fees of 2% management fee and 20% incentive fee and commissions. This account is traded the same as the accounts in the aggressive program. Differences in performance can be explained by commissions, the influx of money during a particular month and the maturing of T-Bills. Prior to October 2004 Joe Natoli provided advice to 15 or fewer people and as such was not required to register as a CTA per Commodity Futures Trading Commission (CFTC) regulations. “Largest monthly drawdown” is the largest monthly loss experienced by all accounts included in the capsule in any calendar month expressed as a percentage of total equity and includes the month and year of such draw down.

CAPSULE PERFORMANCE TABLE

Conservative Growth

Proprietary Accounts

Name: Zephyr Asset Management
Name of Trading Program: Conservative Growth Program
Inception of Trading By CTA: September 2003 (see note below)
Inception Trading in Offered Program: July 2006
Current Number of Accounts in Offered Program: 0 (Stopped in April 2007)
Total Assets Under Management in Offered Program: $0.0
Largest Monthly Drawdown: -.2.51% (March 07)
Worst Peak-to-Valley Draw Down: -3.14% (Jan07- March 07)
Number of Profitable Accounts Closed: 0
Number of Losing Accounts Closed: 0
Minimum Investment: $50,000.00

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

CONSERVATIVE GROWTH PROGRAM

Month	2007	2006		
January	1.42%			
February	-.65%			
March	-2.51%			
April	1.88%			
May				
June				
July		2.78%		
August		1.14%		
September		1.12%		
October		.23%		
November		.65%		
December		1.16%		
Year to date	.08%	7.27%		

Notes to Performance Summary: Conservative Growth Program

Performance is net of fees of 2% management fee, 20% incentive fee and commissions. Commissions were charged at $18.00 a round turn. “Largest monthly drawdown” is the largest monthly loss experienced by all accounts included in the capsule in any calendar month expressed as a percentage of total equity and includes the month and year of such draw down.

Zephyr Asset Management LLC
2509 Coxshire Lane
Davidsonville MD 21035
(615) 547-0171

Welcome Check List

Thank you for choosing Zephyr Asset Management. We recognize the amount of time and thought that went into your decision. We appreciate you choosing Zephyr Asset Management. We encourage you to contact us with your questions, concerns or suggestions. We firmly believe that an open dialogue strengthens the partnership between Zephyr Asset Management and our clients.

In order for an account to be managed by Zephyr, you must complete the following forms. In addition, you must instruct your brokerage to create or assign an account for Zephyr Asset Management to use when trading. If you do not currently use a brokerage or are unsure how to proceed, please contact us for additional help.

Necessary Forms:

_____ Client Questionnaire (Pages 24-26)
_____ Management Agreement (Pages 27-29)
_____ Disclosure Document Acknowledgement (Page 30)
_____ Fee Payment Authorization (Page 31)
_____ Zephyr Asset Management's Privacy Statement (Page 32)

Completed forms may be mailed or faxed to your brokerage or directly to Zephyr Asset Management:

Zephyr Asset Management LLC
2509 Coxshire Lane
Davidsonville MD 21035
FAX (301) 858-1265

Zephyr Asset Management LLC
2509 Coxshire Lane
Davidsonville MD 21035
(615) 547-0171

New Client Forms: 1

Client Questionnaire

THIS INFORMATION IS STRICTLY CONFIDENTIAL AND IS REQUIRED PURSUANT TO NFA RULE 2-30.

Customer One

Name: ____

Address: ____

____

____

Telephone: HOME: ________________

FAX: ________________

WORK: ________________

E-mail: __________________________This is the primary way we communicate.

Employer: ____

Occupation: ____

Birth date: __________________________

Net Worth: __________________________

Annual Income: __________________________

Prior Investment Experience (please indicate the number of years for each category)

STOCKS/OPTIONS _____ FUTURES/OPTIONS ______ BONDS ______ OTHER ______

Are you a member of the NFA, or registered with the NFA or CFTC? ___________

If yes, enter your registration number and type: _____________________________

Do you currently or did you in the past have commodity accounts with any brokerage firms? _________

If yes, please identify firms and approximate dates:

____

____

____

Have you ever been involved in any litigation, arbitration proceedings, disputed accounts or other unresolved matters with any commodities or securities firm? ___________

If yes, please supply details on a separate sheet, including names of parties involved and dates.

Zephyr Asset Management LLC
2509 Coxshire Lane
Davidsonville MD 21035
(615) 547-0171

New Client Forms: 2

Client Questionnaire

THIS INFORMATION IS STRICTLY CONFIDENTIAL AND IS REQUIRED PURSUANT TO NFA RULE 2-30.

Customer Two (*only for joint accounts*)

Name: ____

Address: ____

____

____

Telephone: HOME: _________________

FAX: _________________

WORK: _________________

E-mail: ____

Employer: ____

Occupation: ____

Birth date: ____________________________

Net Worth: ____________________________

Annual Income: ___________________________

Prior Investment Experience (please indicate the number of years for each category)

STOCKS/OPTIONS _____ FUTURES/OPTIONS ______ BONDS ______ OTHER _____

Are you a member of the NFA, or registered with the NFA or CFTC? ___________

If yes, enter your registration number and type: ______________________________

Do you currently or did you in the past have commodity accounts with any brokerage firms? _________

If yes, please identify firms and approximate dates:

____

____

____

Have you ever been involved in any litigation, arbitration proceedings, disputed accounts or other unresolved matters with any commodities or securities firm? ___________

If yes, please supply details on a separate sheet, including names of parties involved and dates.

Zephyr Asset Management LLC
2509 Coxshire Lane
Davidsonville MD 21035
(615) 547-0171

New Client Forms: 3

Client Questionnaire

Type of Account:

_____ INDIVIDUAL _____ TRUST _____ JOINT, WROS OR TC

_____ CORPORATE _____ IRA _____ PARTNERSHIP _____ OTHER

If other, please specify: ____

Signatures:
I/we certify that the information provided herein is true, correct and complete, and that this investment and the associated risk are suitable for me/us.

____
____
(Signature) (Date)

____
____
(Signature, if joint account) (Date)

Zephyr Asset Management, LLC
2509 Coxshire Lane
Davidsonville MD 21035
(615) 547-0171

MANAGEMENT AGREEMENT (Page 1)

This Customer Agreement and Trading Authorization is made and entered into as of the date set forth at the end of this Agreement by and between Zephyr Asset Management and the undersigned customer(s). This agreement is entered into based upon the following representations:

The client represents the he/she has speculative capital for the principal purpose of investing in options on futures and futures contracts and has been informed and is fully cognizant of the high risks associated with such investments.

IT IS MUTUALLY AGREED THAT:

The client shall deposit the sum set forth at the end of this Agreement in a commodity trading account established and maintained with the futures commission merchant ("FCM") named at the end of this Agreement.

The Advisor will trade options on futures and futures contracts and will have the exclusive authority to issue all necessary instructions to the Broker. All such transactions shall be for the account and risk of the Client.

The Advisor will seek capital appreciation in the Client's Account by trading speculatively in options on futures and futures.

This Agreement shall remain in effect until terminated by the receipt of written notice of either party to the other. All such notices will become effective within 15 business days once acknowledged by the Advisor. The Advisor or Client may terminate this Agreement for any reason upon such notice. Upon termination of this Agreement, open positions held by an account will be closed as promptly as possible subsequent to the acknowledgment of the request.

The Advisor's recommendations and authorizations shall be for the Account and risk of the Client. The Advisor makes no guarantee that any of its services will result in a profit to the Client. The Client has discussed the risks of futures trading with the FCM and understands those risks. The Client assumes the responsibility of losses that may be incurred.

The Client agrees to execute a "Limited Trading Authorization and Power of Attorney" with his/her FCM authorizing the Advisor to enter orders for Commodity Interests for the Client's Account.

The Client recognizes that the Advisor will transmit orders on the Client's behalf to the FCM but will not directly execute such orders. The Advisor shall not be responsible for any acts, omissions, or errors of the FCM or any other executing broker in executing such orders.

The Client acknowledges that the Advisor's strategies and trades constitute proprietary data belonging to the Advisor and agrees that neither it nor any of its affiliates will disseminate any confidential information regarding any of the foregoing, except as required by law, and any such information as may be acquired by the Client or such affiliates is to be used solely to monitor the Advisor's performance on behalf of the Client.

The Client agrees that any and all portfolio position reports, performance information and other confidential or proprietary information distributed to the Client by Zephyr Asset Management must be held in confidence by the client and may not be disclosed to any third party or used by the Client or any third party to whom the Client discloses such information for any purpose other than to monitor the Client's account.

The Client agrees to authorize payments from the Client's Account to the Advisor in compensation for services as set forth in this agreement.

The Client acknowledges that he has read a copy of the Advisor's most current Disclosure Document, including the Risk Disclosure Statement. The Advisor makes no guarantee that any of its services will result in a gain for the Client.

MANAGEMENT AGREEMENT (Page 2)

The Advisor shall use its best efforts to increase the value of the account; however, the Advisor cannot and does not insure any such increase. Except for acts constituting willful malfeasance or gross negligence, neither the Advisor nor any of its directors, officers, affiliates, principal, employees or agents shall be liable hereunder or otherwise for any action performed or omitted to be performed or for any errors of judgment in managing the account. The Client shall indemnify the manager (and its officers, directors, principal, employees and agents)against any expense, loss, liability or damage arising out of any claim asserted, or threatened to be asserted by any third party, including attorney's fees as incurred, with respect to the matters as to which the Advisor is exculpated from liability as set forth above.

In the event that any provisions of this Agreement are invalid for any reason whatsoever, all other conditions and provisions of the Agreement shall, nevertheless, remain in full force and effect.

The Client will pay the Advisor as compensation for advisory services a monthly management and a monthly incentive fee mutually agreed upon and set forth at the end of this Agreement. The Advisor will bill all fees with the billing sent directly to the FCM to be paid out of the Client's account. The Advisor reserves the right to negotiate different fees for different clients and to share any portion of these fees with third parties in accordance with regulatory and industry standards. The monthly management and monthly incentive fees are calculated and defined as follows:

Monthly Management Fees

Zephyr Asset Management will charge a monthly management fee. The management fee will be billed monthly as a percentage of the Net Asset Value (Account Value at Market) of the client's account at the end of each month. The management fee will be calculated prior to any incentive fee being subtracted from the account. If a client withdraws from the Program on a date other than at the end of a month, management fees will be calculated and billed as if such termination were the end of the month.

Monthly Incentive Fee

The monthly incentive fee is taken as a percentage of New Net Trading Profits. New Net Trading Profits are computed using the formula: (1) gross realized profit and loss during the period plus (2) the change in net unrealized profit and loss on open positions as of the end of the period, minus (1) all brokerage commissions and transaction fees and charges paid or accrued during the period and (2) cumulative net loss, if any, carried over from other periods. The carryover of previous loss makes certain that incentive fees are paid only on the cumulative increases in the net gains of an account. It should be noted that the full loss is not carried over the next month in an instance where there has been a partial withdrawal of funds. In such a case, the portion of the loss attributable to the withdrawn amount is first subtracted from the carryover loss. In addition, if an account does not have New Net Trading Profits in a given month, no incentive fee will be due to the Advisor unless and until the account experiences New Net Trading Profits in a subsequent month. The amount of the incentive fee due to the Advisor, if any, will be determined independently with respect to each month, and the amount of any such fee paid will not be affected by subsequent losses experienced in a participating customer's account. Incentive Fees will be billed monthly. In the event of a withdrawal other than as of a month-end, any Incentive Fees with respect to such redeemed assets will be paid to Zephyr Asset Management as if such date of withdrawal were a month-end.

By depositing funds with the FCM, the Client acknowledges and accepts the propriety of the Advisor's trading program and his suitability to bear economic risk of loss in commodity trading in Commodity Interests.

Zephyr Asset Management LLC

MANAGEMENT AGREEMENT (Page 3)
Signature Page

IN WITNESS WHEREOF, the parties have executed this Agreement as of the _______ day of__________, 200___.

Advisor: ZEPHYR ASSET MANAGEMENT, LLC

____
Principal's Signature *(Zephyr Asset Management)*

____
Client's Name
(Please Print)

____
First Client's Signature Date

____
Client's Address

____

____
Client's Telephone number

If a joint account:

____
Second Client's Name (Please Print)

____
Second Client's Signature Date

____
Second Client's Address

____

____

____
Name of FCM Introducing Broker

____
Amount of Initial Deposit with FCM

2% Annually / 20% of New Profit
Management / Incentive Fee

Email Address:______________________________

Trading Program Designation
___________Moderate Program

___________Aggressive Program

___________Conservative Growth

Second Client's Telephone number

Zephyr Asset Management LLC
2509 Coxshire Lane
Davidsonville MD 21035
(615) 547-0171

CUSTOMER ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE DOCUMENT

The undersigned client(s) ("Client") hereby acknowledges receipt of a copy of the Disclosure document dated November 16, 2007 of Zephyr Asset Management, LLC. Client has read and understands the document and has carefully considered the risks outlined therein.

Trading Program Designation: Please indicate the program pursuant to which you wish your account to be traded.

_________Aggressive Program

_________Moderate Program

_________Conservative Growth

____

Client's Name (Please Print)

____

Client's Signature Date

If a joint account:

____

Second Client's Name (Please Print)

____

Second Client's Signature Date

Zephyr Asset Management LLC
2509 Coxshire Lane
Davidsonville MD 21035
(615) 547-0171

FEE PAYMENT AUTHORIZATION

TO: ________________________________

Name of FCM

The undersigned client(s) ("Client") hereby authorizes the FCM named above to deduct from Customer's commodity trading account with the FCM and remit directly to Zephyr Asset Management, LLC. within five business days following the FCM's receipt of Zephyr Asset Management's bill, such management fees, incentive fees and $2.00 per trade executed in the account. This fee is included in the cost of commissions. These fees are payable at the direction of Zephyr Asset Management, a CFTC Registered CTA, and NFA member, from the undersigned account established and maintained with your firm for a **monthly payment** for the

_____Moderate Program _____Aggressive Program _____Conservative Growth

The undersigned client(s) ("Client") hereby authorizes the FCM named above to deduct from Customer's commodity trading account with the FCM and remit directly to Zephyr Asset Management, LLC. within five business days following the FCM's receipt of Zephyr Asset Management's bill, such management fees and/or incentive fees as shall become due and owing to Zephyr Asset Management under the terms and conditions of the Customer Agreement and Trading Authorization between Zephyr Asset Management and the Customer.

Customer acknowledges Customer's ongoing responsibility to review regularly all customer account records and statements from the FCM Zephyr Asset Management since such records will be conclusive and binding on Customer unless a prompt written and/or verbal objection from Customer is received by the FCM or Zephyr Asset Management, as the case may be.

____

Client's Name (Please Print)

____

Client's Signature Date

If a joint account:

____

Second Client's Name (Please Print)

____

Second Client's Signature Date

Zephyr Asset Management LLC
2509 Coxshire Lane
Davidsonville MD 21035
(615) 547-0171

PRIVACY STATEMENT

Pursuant to the Commodity Futures Trading Commissions new rules, financial institutions like Zephyr Asset Management are required to provide privacy notices to their clients. We at Zephyr Asset Management consider privacy to be fundamental to our relationship with our clients. We are committed to maintaining the confidentiality, integrity and security of our current and former clients' non-public information. Accordingly, we have developed internal polices to protect confidentiality while allowing clients' needs to be met.

We will not disclose any non-public personal information about clients, except to our affiliates and service providers as allowed by applicable law or regulation. In the normal course of serving our clients, information we collect may be shared with companies that perform various services such as our accountants, auditors and attorneys. Specifically, we may disclose these service providers non-public personal information including:

- Information Zephyr Asset Management receives from clients on managed account agreements and related forms (such as name, address, Social Security/Tax identification number, birth date, assets, income and investment experience); and
- Information about clients' transactions with Zephyr Asset Management (such as account activity and account balances).

Any party that receives this information will use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use this information for any other purpose. To protect the personal information of individuals, we permit access only by authorized employees who need access to that information to provide services to our clients and us. In order to guard clients' non-public personal information, we maintain physical, electronic and procedural safeguards that comply with the U.S. federal standards. If the relationship between a client and Zephyr Asset Management ends, Zephyr Asset Management will continue to treat clients' personal information as described in this notice. An individual client's right to privacy extends to all forms of contact with Zephyr Asset Management, including telephone, written correspondence and electronic media, such as email messages via the Internet.

Zephyr Asset Management reserves the right to change this privacy notice, and to apply changes to information previously collected, as permitted by law. Zephyr Asset Management will inform clients of any such changes as required by law.

Any questions regarding this Privacy Statement should be directed to Kevin MacLean, at (615) 547-0171 or kmaclean@zephyrasset.com