BENSBORO™

Seasonal Spread Trading Program

Initial Disclosures

THE RISK OF LOSS IN FUTURES AND COMMODITY INTEREST TRADING CAN BE SUBSTANTIAL. PARTICIATION IN THE BENSBORO SEASONAL TRADING PROGRAM IS NEITHER SUITABLE NOR AVAILABLE TO ALL INVESTORS. PARTICIPATION IN THE TRADING PROGRAM IS ONLY AVAILABLE TO QUALIFIED ELIGIBLE PARTICIPANTS ("QEPs") AS DEFINED BY CFTC REGULATON 4.7. THIS PRESENTATION IS NOT A DISCLOSURE DOCUMENT, WHICH IS ONLY MADE AVAILABLE THROUGH THE TRADING ADVISOR, BENSBORO ADVISORS, LLC. NO REPRESENTATION IS MADE THAT THE TRADING PROGRAM WILL ACHIEVE ITS OBJECTIVES OR AVOID SUBSTANTIAL LOSSES. YOU SHOULD, THEREFORE, CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN FUTURES AND COMMODITY INTEREST TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. ALL INVESTMENTS IN THE FUTURES AND COMMODITY INTEREST MARKET SHOULD BE MADE WITH RISK CAPITAL ONLY. PLEASE ENSURE THAT YOU ARE FULLY AWARE AND UNDERSTAND ALL RISKS, FEES, AND OTHER CONCERNS RELATED TO YOUR INVESTMENT BY REQUESTING THE COMPANY'S COMPLETE DISCLOSURE MATERIALS.

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Initial Disclosures (cont.)

- Strategies using combinations of positions, such as spread positions, may be as risky as taking a simple long or short position.

- Though seasonal patterns exist, taking advantage of them in futures is not so simple, as seasonal patterns are well-known by producers and buyers. As a result, futures prices typically have already factored in the seasonal aspects of supply and demand.

- Examples of seasonal price moves are not meant to imply that such moves or conditions are common occurrences or likely to occur.

- You should carefully consider whether such trading is suitable for you in light of your circumstances and financial resources.

- The risk of loss in trading futures contracts can be substantial, and therefore investors should understand the risks involved in taking leveraged positions and must assume responsibility for the risks associated with such investments and for their results.

Overview

Bensboro Seasonal Spread Trading Program

- $500,000 minimum per separate account
- Qualified Eligible Persons only

Discretionary Trading based on both quantitative and qualitative research.

Low-correlation returns compared to both traditional and alternative asset classes.

Futures Contracts in *Currencies, Energy, Grains, Interest Rates, Livestock, Metals, Softs, and Stock Indices*.

Risk Management Focus using broad diversification, limits on category and position sizes as well as volatility-based loss mechanisms.

Objective

To produce low-correlation returns using a seasonal approach to futures spread trading.

Philosophy

We Believe:

- Futures generally provide low correlation compared to other asset classes.
- Spreads generally provide even lower correlation to other asset classes, even when compared to most managed futures strategies which are typically trend-following.
- Seasonality can significantly shape sentiment and short-term flows, thus influencing the market over the short-term.
- Diversification across many categories and instruments generally results in risk mitigation.

To trade futures contracts primarily using seasonal spreads in a diversified manner.

- If a spread's current pattern is similar to its long-term and intermediate-term seasonal patterns, we generally expect past patterns may repeat to a high degree of probability based on similar economic and fundamental conditions.

- Time targets, rather than price targets, are customarily used to determine optimal entry and exit points for trade execution.

Process

- We target total margin commitments generally between 5% - 20% of assets, with a target margin of 12.5%.

- We typically employ loss limit targets on individual spread positions and maximum allocations for each category.

- We use spreads across a wide variety of instruments and categories with varying time horizons and sides (bull, bear, and inter-commodity spreads) in an attempt to aid in risk mitigation through diversification.

Risk Management

Quantitative:

- Position size
- Risk tolerance per category
- Risk tolerance per spread
- Risk-reward ratio

Qualitative:

- Early profit exit date based off a rapid price advance
- Early loss exit date based off a low volatility price decline
- Evaluate non-seasonal fundamental macro events
- Volatility based loss mechanisms

Trade Selection

Quantitative:

- Average profit
- Correlation
- Volatility
- Win probability
- Volume on the least liquid leg

Qualitative:

- Comparison of the current spread to its corresponding historical averages
- Entry and exit date optimization
- Evaluation of non-seasonal fundamental macro events
- Historic support and resistance levels

Instruments

Listed within each category below are some of the respective individual futures used at various times:

- Currencies: Australian Dollar, British Pound, Canadian Dollar, Euro, Japanese Yen, and the Swiss Franc
- Energy: Crude Oil, Heating Oil, Gasoline, and Natural Gas
- Grains: Soybean Complex, Corn, and Wheat
- Interest Rates: US Treasury Bills, Notes, & Bonds, and Euro Dollars
- Livestock: Feeder Cattle, Lean Hogs, and Live Cattle
- Metals: Copper, Gold, Palladium, Platinum, and Silver
- Softs: Cocoa, Coffee, Cotton, Orange Juice, and Sugar
- Stock Indices*: S&P 500, Dow Jones Industrial Average, and the Nasdaq-100

* Stock Indices implemented 05/23

Service Providers

Executing Broker	StoneX
Counsel	Howard & Howard
Administrator	NAV Consulting, Inc.
Introducing Broker	Hughes & Company, LLC

Managing Members

Charles W. Robinson III, CFA

Over 40 years experience in Trading and Portfolio Management

Professional Experience:

- Founding principal of Robinson Value Management, Ltd (1997-present) and Bensboro Advisors LLC (2014-present) .
- Portfolio manager at NationsBank's private Client Group in San Antonio, Texas (1992-1997).
- Portfolio Manager at Leavy Investment Management in Kerrville, Texas (1991-1992).
- Professor of portfolio theory and computer applications in finance at the University of Texas at San Antonio's Graduate School of Business (1990).
- Runner and phone clerk at the CME in Chicago for RB&H, Associated Person at W. D. Gann (1984-1987).
- Member of the CFA Institute and a past president of the San Antonio Society of Financial Analysts.

Education:

- MBA from the University of Texas at San Antonio.
- BA in Economics from Davidson College.

T. Matthew Trump, CMT

Over 25 years experience in Trading and Portfolio Management

Professional Experience:

- Founding principal of Bensboro Advisors LLC (2014-present).
- Registered Investment Advisor Representative of Robinson Value Management (2018-present).
- Regional Vice President at ProShares® (2008-2014).
- Branch Manager at Raymond James Financial Services, Inc. (2000-2005).
- Registered Representative at Legg Mason Wood Walker, Inc. (1996-2000).
- Member of the CMT Association and co-chair of the CMT Association's Dallas, TX chapter.

Education:

- BA in Business Administration – Finance Concentration from the University of Alabama.

Military Experience:

- Gulf War Veteran: 10 medals and ribbons
- Nuclear Biological and Chemical Warfare NCOIC

For Educational Purposes Only

Background on Futures

Futures Contracts:

- Are standardized contracts which are bought and sold on a regulated commodity futures exchange.
- The contracts are made between two parties regarding the purchase and sale of a specific asset (e.g., gold, cattle, corn, etc.)
- The contracts are standardized regarding quantity, quality, and method of delivery. Most futures contracts are closed before making or taking delivery.
- Each futures contract has a pre-defined settlement date in the future.
- The person who buys the contract is said to be long, while the person who sells the contract is said to be short.
- Prices for futures contracts fluctuate throughout the trading day until the official final price is settled on the exchange at the end of the trading session

Background on Leverage

Leverage allows one to utilize their capital more efficiently.

Assumptions

- You have $4000 in capital to invest.
- The current spot price of crude oil is $50 per barrel.
- A single crude oil futures contract unit represents 1,000 barrels of oil priced in U.S. dollars and cents per barrel. The minimum price fluctuation is $0.01 per barrel, and the initial margin required per contract is $4,000.
- Your choice: Buy 50 barrels outright for $4000 or buy 1 crude oil futures contract (giving you exposure to 1000 barrels) putting up $4000 in margin.

The math behind the leverage:

Price Change	50 Barrels (outright)	1000 Barrels (futures)
$5	$250	$5000
($5)	($250)	($5000)

PLEASE NOTE THAT LEVERAGE CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS. TRANSACTION FEES ASSOCIATED WITH LEVERAGE TRANSACTIONS, SUCH AS FUTURES TRANSACTIONS, CAN BE AS HIGH AS $25 PER ROUND TURN TRANSACTION. MARGIN CALLS MAY REQUIRE POSITIONS TO BE LIQUIDATED RESULTING IN A LOSS OF CAPITAL.

Background on Spreads

A *spread* is the simultaneous purchase and sale of two futures contracts in related underlying instruments, seeking to profit from a mismatch in the pricing of one relative to the other.

Four primary types of spreads

1. Intra-market spread (same commodity, same exchange)
    - *Example: Buy May Soybeans / Sell November Soybeans*
2. Inter-commodity spread (different commodity, same exchange)
    - *Example: Buy May Soybeans / Sell May Wheat*
3. Inter-market spread (same commodity, different exchange)
    - *Example: Buy April COMEX Gold / Sell April CME Gold*
4. Commodity product spread (raw materials vs. derivatives)
    - *Example: Buy July Soybeans / Sell July Soybean Oil and Sell July Soybean Meal*

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

Background on Seasonality

A *seasonal* price tendency is the propensity for a given market to move in a given direction at certain times of the year.

Examples

- ***Energy:*** Refiners face taxes on year-end inventories of crude oil. Thus, they postpone new purchases into the new year while working through existing inventories on hand. This lack of demand for crude typically drives bear spreads into mid-December.
- ***Crops:*** Supplies of the old-crop are well-known. However, the acreage and yield of a new crop will remain unknown for several months. Thus, for a period of time new-crop months tend to outperform old-crop months.
- ***Meats:*** Cattle slaughter peaks in June. Its nadir is typically in December. Throughout winter and into spring the June maturity tends to under-perform most other delivery months.

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