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Forex Management Agreement & Risk Disclosure Document

J B Henry Managed Account

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.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS THAT ARE NOT CONTAINED IN THIS DOCUMENT.

THE INFORMATION AND OPINIONS CONTAINED HEREIN ARE SUBJECT TO CHANGE OR REVISION SUBSEQUENT TO THE DATE OF THIS DOCUMENT. THE DELIVERY OF THIS DOCUMENT AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE SHOWN BELOW. THIS DOCUMENT IS NOT TO BE DISTRIBUTED UNDER ANY CIRCUMSTANCES AFTER May 1st 2010 AND WILL BE SUPERSEDED AFTER THAT DATE BY A DISCLOSURE DOCUMENT CONTAINING THEN CURRENT INFORMATION ABOUT THE J. B. HENRY CAPITAL MANAGEMENT TRADING PROGRAMS.

The date of this risk disclosure document is August 1st, 2009

RISK DISCLOSURE STATEMENT

THE RISK OF LOSS IN TRADING FOREX 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 FOREX OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL PREMIUM AND ALL OF THE TRANSACTION COSTS.

IF YOU PURCHASE OR SELL A FOREX FUTURE OR SELL A FOREX OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN 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 REQUIRED 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 FOREX TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS. IN SOME CASES, MANAGED FOREX 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 PAGE 9, 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 FOREX MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND FOREIGN EXCHANGE TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT AT PAGE 9.

THIS COMMODITY TRADING ADVISOR IS PROHIBITED BY LAW FROM ACCEPTING FUNDS IN THE TRADING ADVISOR'S NAME FROM A CLIENT FOR TRADING FOREX. YOU MUST PLACE ALL FUNDS FOR TRADING IN THIS TRADING PROGRAM DIRECTLY WITH A FUTURES COMMISSION MERCHANT.

OFF-EXCHANGE FOREIGN CURRENCY TRADING IS HIGHLY SPECULATIVE AND RISKY. IT IS SUITABLE ONLY FOR THOSE CUSTOMERS WHO UNDERSTAND AND ARE WILLING TO ASSUME THE ECONOMIC, LEGAL AND OTHER RISKS INVOLVED, AND ARE FINANCIALLY ABLE TO ASSUME LOSSES SIGNIFICANTLY IN EXCESS OF MARGIN OR OTHER DEPOSITS. YOU REPRESENT, WARRANT AND AGREE THAT YOU UNDERSTAND THESE RISKS AND THAT YOU ARE WILLING AND ABLE, FINANCIALLY AND OTHERWISE, TO ASSUME THE RISKS OF FOREIGN EXCHANGE TRADING.

THERE IS LIMITED REGULATION AND NO CENTRAL MARKET OR CLEARINGHOUSE GUARANTEE OF PAYMENT IN FOREX TRADING. FOREIGN EXCHANGE TRADING IS NOT REGULATED BY ANY STATE OR FEDERAL AUTHORITIES IN THE UNITED STATES AND IS NOT CONDUCTED ON A REGULATED MARKET OR EXCHANGE. EACH CONTRACT IS A CONTRACT DIRECTLY BETWEEN YOU AND YOUR FUTURES COMMISSION MERCHANT. THERE IS NO CLEARINGHOUSE AND NO GUARANTEE BY ANY OTHER PARTY OF YOUR FUTURES COMMISSION MERCHANT'S PAYMENT OBLIGATIONS (OR ANY OTHER COUNTERPARTY'S PAYMENT OBLIGATIONS) TO YOU. YOUR COLLATERAL IS NOT PROVIDED THE PROTECTION OF SEGREGATED CUSTOMER FUNDS OR PROPERTY UNDER THE COMMODITY EXCHANGE ACT OR CFTC REQUIREMENTS, INCLUDING THE CFTC'S PART 190 BANKRUPTCY RULES.

TABLE OF CONTENTS

Cover Page.....	1
Risk Disclosure Statement.....	2
Table of Contents.....	4
Introduction.....	5
The Advisor.....	5
The Forex Market.....	6
Clearing Arrangements.....	6
Description of Trading Strategy.....	6
Program & Performance History.....	8
Principal Risk Factors.....	9
Advisor Compensation.....	11
Nominal Funding.....	12
Possible Conflicts of Interest.....	13
Authorizations.....	14

INTRODUCTION

J.B. Henry Capital Management, Inc (“CTA” or the “Advisor”) is engaged in the business of offering trading advice to customers with respect to forex contracts. Such contracts are hereinafter referred to as “commodity interests.” Advisor currently trades currencies in Forex (not a contract market). Advisor has more recently offered trading in these markets under its new Foreign Exchange Program.

Advisor has developed a Managed Account Program pursuant to which it directs the speculative purchase and sale of foreign exchange interests (as defined above) for the accounts of participating customers in accordance with its trading method and strategy. Given that speculative commodity trading presents the risk of substantial losses, only persons with high income and the ability to absorb such losses should consider participating in the programs offered. See “Description of Trading Strategy” and “Principal Risk Factors”.

Advisor accepts new accounts of at least \$100,000.00, although it reserves the right to waive this minimum. A qualified customer who desires to participate in the Managed Account Program must first open a trading account with a registered Forex Dealer approved by Advisor. Approval of such Forex Dealer generally will be based on whether trades can be executed efficiently. See “Advisor Compensation”, “Clearing Arrangements”, and “Potential Conflicts of Interests”.

A participating customer must select an FCM or forex dealer to maintain its account. As a commodity trading advisor, Advisor is not permitted to hold customers’ funds, securities, commodities or other property. A participating customer retains ultimate control over his or her account. However should an investor wish to make a withdrawal of capital from his or her account, the investor must notify the Advisor of the withdrawal.

BACKGROUND OF THE ADVISOR

J.B. Henry Capital Management, Inc. (“JBH”) is a Florida corporation incorporated in December 2007. JBH’s office address is 6278 N. Federal Hwy, Suite 349, Fort Lauderdale, FLORIDA 33308, USA Telephone (561) 459 1898

J.B. Henry Capital Management, Inc. is conducting its business with Pfgbest.com. Pfgbest.com is a registered Futures Commission Merchant (FCM) with the Commodity Futures Trading Commission (CFTC) and is a member of the National Futures Association (NFA ID #0232217).

The Advisor is presently not registered as a Commodity Trading Advisor (“CTA”) with the U.S. CFTC as the firm has exempt status.

BUSINESS BACKGROUND OF THE TRADING PRINCIPAL

Bjorn H Jonasson, is President and a member of its Board of Directors. Mr. Jonasson holds a Bachelor’s Degree in Engineering from the College of Engineering (TG1) of Gothenburg, Sweden. During his career he has worked in engineering and design in various locations around the world including Europe, South-East Asia, Africa and South America before settling down in the United States.

From May 2000 to Dec 2000 he was in Sweden doing full-time research in the technical analysis field. He worked with computer design and research of Technical Analysis as applicable to research in the futures and forward derivatives markets. During that time he joined as a Professional Member, STAF, Swedish Technical Analysts Federation (an IFTA member).

Coming back to the United States in Dec 2000 he received a series 3 registration and joined Alaron Trading, a futures brokerage firm. He has been a member of the NFA since 2001. At present neither Mr. Jonasson or the firm is a member of the NFA or supervised by the CFTC as the business has exempt status. From 2001 – 2006 he was a principal with a registered CTA, (Commodity Trading Advisor) Spectrum Asset Management Corp.

Shekhar Mahamuni, is Vice President and a member of its Board of Directors. Mr. Mahamuni is a Textile Engineer, from the College of Engineering of Mumbai, India. During his career he has worked in many textile Mills and many textile export companies in various locations including India and Thailand. He has vast knowledge and expertise in using and developing “Computer Aided Design” (CAD) systems.

Mr. Mahamuni is a proprietary currency trader. He started trading into Forex Market in mid of 1999 and

traded for himself and his clients till 2003. He had many ups and downs during this period, but his main interest in those years was always in developing his trading strategy and discipline. Finally he hit the jackpot in 2004 with his unique trading strategy. In 2004, he started trading for his own new account which he opened in April, and earlier hitting the drawdown of 53% he ended the year with a net profit of more than 27500% (yes, you read it correctly, its indeed more than Twenty-Seven Thousand Five Hundred percent!!!)

Since then he has maintained his trading with profits every year.

Mr. Mahamuni joined the firm as Vice President and trader in 2009.

THE FOREX MARKET (A Brief Discussion)

The Forex spot market is an off-exchange market. Leverage is available for use in these markets in a similar way that leverage is available for futures trading. Contract sizes are derived to the exact dollar inside the “interbank community” and do not fit a standard size table. Futures contracts on the regulated exchanges typically are larger than the cash FX positions.

CLEARING ARRANGEMENTS

Forex

The client shall open a Forex account with a Forex Dealer or FCM. All deposits to and withdrawals from the account and all transactions effected in the account shall be subject to the “Advisory Agreement” and any other respective agreement between the Client and the Forex Dealer or FCM. Currently the Advisor uses Peregrine Financial Group Inc- PFGBEST.com for clearing. Pfgbest.com, 190 S LASALLE STREET, 7TH FLOOR, CHICAGO, IL 60603, UNITED STATES. PFGBEST.com is a registered Futures Commission Merchant (FCM) with the Commodity Futures Trading Commission (CFTC) and is a member of the National Futures Association (NFA ID #0232217).

See www.pfgbest.com

Minimum Investment

The minimum investment in the programs are \$100,000.00

The manager may accept Notional funded accounts.

The advisor, at its discretion, may accept a lower minimum investment. Due to the efficient structure of Pfgbest.com trading and management systems lower minimums can be accepted by the discretion of the Manager at Pfgbest.com. See www.pfgbest.com

DESCRIPTION OF TRADING STRATEGY

The Advisor's trading method is proprietary and confidential. The following description is general by necessity and is not intended to be exhaustive of the strategy. The Advisor cautions that only sophisticated investors with risk capital should participate in the trading program. In addition, Advisor may refine or change the implementation of its strategy (including but not limited to technical factors, markets traded and or money management principals) without prior notice to or approval by customers. There can be no assurance that Advisor's approach to trading will yield the same results as it has in the past.

As global currency movements affect the value of assets tied to the US Dollar, this program attempts to create a hedge against valuation and devaluation of the US Dollar assets, while offering speculative opportunities to profit from short term swings among varying cross -rates of foreign currency using multiple strategies that are negatively correlated. The objective of the program is to provide a consistent appreciation of the client's capital and preservation of the client's wealth. However, there is no assurance that the objective will be achieved or that clients

will avoid loss The Advisors employs a semi-technical system-based trading strategy to make its trading decisions. The trading method has been research and developed over the last 6 years as a direct result of the experience of the Advisor's trading and their personal conclusions of the market behavior. The trading approach relies heavily on the disciplined money management. In evaluating the various factors that make up a trading decision, the system pays close attention to the potential trade's risk-reward ratio and how it fits into the profile of the entire portfolio and whether it adheres to the account's overall trading goals. The program is designed to generate attractive speculative returns, coupled with manageable drawdowns. An advanced excursion analysis is used to identify optimal levels of stop placement. Recent adjustments made to accommodate the Forex market offer a more leptokurtic distribution of returns across the portfolio of strategies. The Advisor has quantified data to conclude that as a result of these "signal driven applications", a detached, but accurate perspective of the markets exists in a way that the Advisor can take advantage of micro and macro-economic factors are quantified in the "weighting" of the application of money managed within the portfolio of the multiple strategies. The Advisor is ongoing in his development of the strategy and will adapt and employ only those methods of improvement if in the testing thereof, yield financial benefits to the advisor's clients. The program trades Forex. The system has trend bias in direction over extended time frames. Currently, the liquidity offered in the Foreign Exchange markets offers ample opportunities for the use of the strategy. There are no currently known limitations to the Advisor's strategy. However, account equity may constrain the extent to which an account may participate in the advisors program. The Advisor will trade all major currency pairs, including EURUSD, USDJPY, GBPUSD, USDCHF, AUDUSD and most of the liquid cross-rates of currencies, including USDCAD, and EURJPY, in the foreign exchange markets. The Advisor will add to or delete certain markets from time to time at its discretion. These decisions will be based on volatility, global political risks, timing issues, as well as other factors. All accounts managed by the advisor may not necessarily exhibit parallel performance. In particular, the advisor may refrain from accepting "old signals" (i.e. mechanical trading signal), which date prior to the commencement of a new account opening.

Trading Program

JB Henry Program – main objective to achieve positive absolute return.

Aggressive capital growth with higher levels of expected volatility. Drawdown is strictly monitored but can exceed past drawdown, so far -12.47%. Active intra day strategies and use of higher leverage at times.

Trading Program:

J B Henry Program

Features:

- **Suggested Minimum investment:** \$USD 100,000 (or equivalent)
- **Management fee:** zero
- **Performance fee:** 50% of Net New High. Results shown below is NET after fees.
- **Time Frame:** Recommended 12 months +

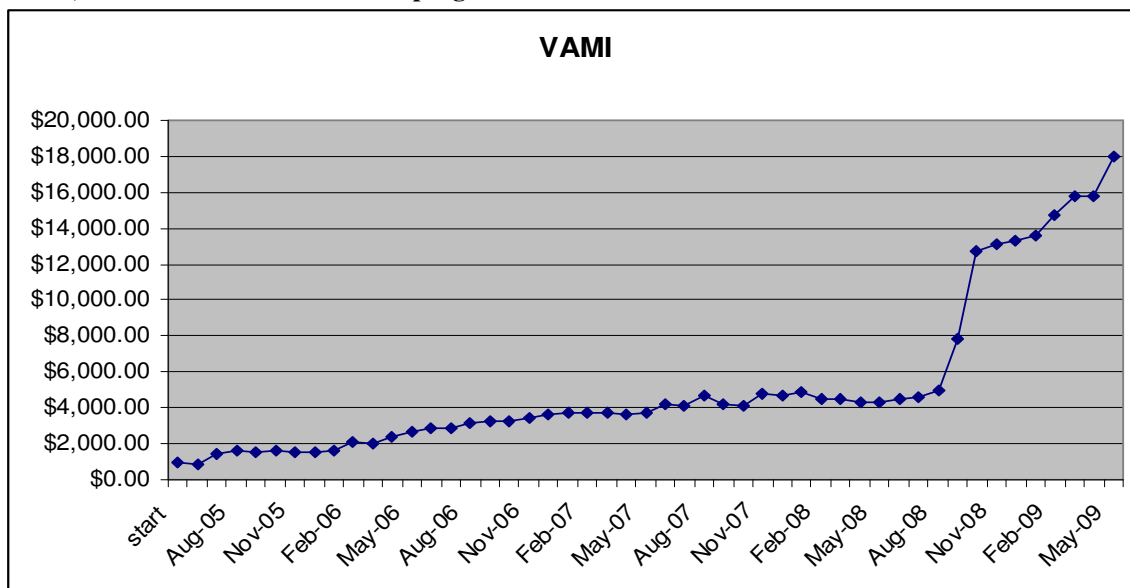
Profile:

- **Objective:** Aggressive capital growth with higher levels of expected volatility
- **Risk:** Moderate to High
- **Annual Target:** 40% +
- **Discretionary:** Yes
- **Trading style:** Short term
- **Liquidity:** Daily

Start	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2005						-9.77%	53.94%	18.44%	-8.17%	5.63%	-2.73%	-1.70%	52.58%
2006	6.79%	27.98%	-2.33%	16.35%	14.81%	5.00%	0.05%	11.30%	2.14%	0.24%	4.77%	7.84%	141.18%
2007	1.57%	-1.32%	5.69%	-2.44%	2.62%	13.28%	-1.75%	13.21%	-9.60%	-2.91%	15.91%	-2.20%	32.96%
2008	4.64%	-7.22%	-1.49%	-4.23%	0.00%	4.55%	2.28%	8.93%	56.83%	62.56%	3.57%	1.46%	185.82%
2009	1.90%	8.73%	6.63%	0.21%	14.17%	-2.18	1.07%						33.63%

Max Drawdown 12.47%
 Total return since inception 1748.99%
 Annual ROR 101.92%

VAMI, Growth of \$1000 invested in program.



Comments on track record

The trading program has been traded in proprietary account starting 2005. Beginning May 1st 2009 the program was traded on the FX Manager by J B Henry Capital Management, inc. at Oanda and moved to Pfgbest.com in August 2009. Results NET after management fees of 50% of net new high. Results may vary depending on account size and fee structure. See Fees page 11.

The real trading records of the proprietary traders includes trading accounts that is not included here or has been discontinued. The program shown is a continues program traded live at Oanda and FX Solutions. The program is now traded at J B Henry Capital Managements FX Manager Platform at Pfgbest.com by the proprietary traders (the principals).

The traders has in the past achieved greater returns and also larger drawdowns than seen here. The track records available for inspection. Past performance is not an indication of future results and you can lose as well as gain in Forex trading.

PRINCIPAL RISK FACTORS

The Advisor employs a number of techniques in an attempt to limit risk of loss. Stop loss orders at precise locations are used to reduce risk per trade, along with a spread allocation across the varying currencies. Also the strategy and its derivatives are negatively correlated. However, there is no guarantee that any stop loss order or the negative correlation of strategies will limit the risk taken as planned by the system. Trades can be held in the account anywhere from under an hour up to several days or weeks. The system offers opportunity to profit from “swing” type moves in the markets while allowing for larger trend moves to develop for portions of a position taken.

Forex Trading is Speculative and Volatile

Prices are volatile. Price movements of markets are influenced by many factors, including, without limitation, changing supply and demand relationships, weather, agriculture, trade, , as well as national and international political and economic events and changes in national and international interest rates and rates inflation, currency devaluations and reevaluations, and emotions of participants in the market place. Further, in forex markets specifically, fiscal, monetary, and exchange control programs and policies of governments play a large role in the fluctuation of currency prices. In addition, governments may from time to time intervene, directly and by regulation, in certain markets, particularly in the currencies. Such intervention is often intended to influence prices directly.

Forex Markets at times Carry Low Liquidity

At certain times the markets are illiquid; with the number of participants small this carries risk of orders being filled at prices out of established risk parameters.

Forex Trading is Highly Leveraged

The low margin deposits normally required (typically between 1% and 4% for forex) of the value of the contract purchased or sold) permit an extremely high degree of leverage. Accordingly, a relatively small price movement in Forex markets or a futures contract may result in immediate and substantial profits or losses. Thus, like other leveraged investments, any trade may result in losses well in excess of the amount deposited in a client's account. In other words, significant losses would require a client to deposit funds in excess of the amount initially deposited into the trading account.

Spot Forex Markets are Unregulated by the CFTC and SROs (self regulatory authorities)

While their still exist some protective regulations regarding charges of fraud, the Spot (cash) markets of foreign exchange are simply not yet under the rules of governing authorities. This may lend itself to trading practices that are well out of reach by authorities to recover client funds if lost. Additionally, Forex markets are principally derived, meaning that it is incumbent of the opposing trading party to “honor” the trade agreement of an exchanged currency (such as that in the larger inter-bank market). Should one of the parties default on one side of the order, a dispute

of the trade would exist.

Prices, Margin, and Valuations are Set by Your Forex Dealer when Trading Spot Forex

Your Forex Dealer will provide prices to be used in trading, valuation of your positions and determination of your margin requirements. Although the Advisor expects that these prices will be reasonably related to prices available in the inter-bank market, prices reported by your Forex Dealer may vary from prices available to banks and other participants in what is known as the inter-bank market.

Positions held Over the Weekend

For positions held overnight or longer, there is a higher margin requirement than for intraday trading. These higher margins will commit a greater amount of equity to the trade and could affect the degree to which a client's account may be diversified. The Advisor anticipates that it will hold positions overnight and over weekends.

Creditworthiness of the Forex Dealer

In the unlikely event of the Forex Dealer's bankruptcy, there is no equivalent to the Securities Investors Protection Corporation Insurance applicable in the case of securities broker / dealer bankruptcies. Your collateral is not provided the protection of segregated customer funds or property under the Commodity Exchange Act or CFTC requirements including the CFTC's Part 190 Bankruptcy Rules. Therefore, in the event of bankruptcy, the client could be unable to recover assets held at the Forex Dealer, including assets directly traceable to the client. It is advised that the prospective client thoroughly investigate the creditworthiness of the clearing firm holding the custody of funds for trading purposes.

Proprietary Trading by the Advisor

The Advisor and its principal currently trade and will continue to trade for their own accounts ("Proprietary Accounts"). To the extent practicable, the Advisor generally will trade certain of its Proprietary Accounts in the same manner as clients' accounts. However, the Advisor may elect not to trade certain of its Proprietary Accounts in parallel with clients' accounts. In trading for Proprietary Accounts and in contrast to the Advisor's client account trading, the Advisor may trade a larger number of interests, use a different degree of leverage, pay lower trading rates, and test new markets. In addition, the Advisor may conduct experimental trading in Proprietary Accounts to test new trading methodologies or variations of its basic investment methods and strategies. The Advisor also may trade certain contracts for Proprietary Accounts that it does not trade in client accounts, where a given market or a market at a given time is illiquid or extremely volatile, thereby assuming a greater degree of risk in Proprietary Accounts than the Advisor is willing to assume for clients. Accordingly, the Advisor at times may take positions in Proprietary Accounts that are ahead of or opposite to those taken in client accounts. Due to the foregoing, the Advisor's Proprietary Accounts may produce trading results that are substantial different from those experienced by the Advisor's clients. The records of the Advisor's proprietary and client trading will not be available for inspection by clients.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED AS A RESULT OF THIS INVESTMENT. POTENTIAL INVESTORS SHOULD READ THIS ENTIRE DOCUMENT BEFORE DETERMINING WHETHER IT IS IN HIS OR HER BEST INTEREST TO INVEST.

ADVISOR COMPENSATION

Forex

Management Fee.

There is no management fee.

Commissions.

The Advisor charges no commissions or is not compensated by any rebate from the clearing FCM on any commissions.

The FCM may charge and deduct a commission on a round turn basis or charge and deduct commissions on a half turn basis. Currently, the Advisor raises money internally through its own efforts as well as through unaffiliated third party equity raisers.

Incentive Fee:

The Advisor charges a client's account an incentive fee of 50% of monthly profits after passing monthly hurdle based on high water mark.

Fee Table:

1. 50% of monthly profits after passing monthly hurdle based on high water mark. Initial Investment < \$100,000
2. 45% of monthly profits after passing monthly hurdle based on high water mark. Initial Investment >\$100,000
3. 40% of monthly profits after passing monthly hurdle based on high water mark. Initial Investment >\$250,000
4. 35% of monthly profits after passing monthly hurdle based on high water mark. Initial Investment >\$500,000
5. 30% of monthly profits after passing monthly hurdle based on high water mark. Initial Investment >\$1,000,000

This fee is based on **Net New Profits** at the end of each month. **Net New Profits** shall mean the cumulative profits during the period, over and above the aggregate of previous period profits as of the end of any period. **Net New Profits** is calculated in accordance with generally accepted accounting principles and includes 1) all realized gains and losses; plus 2) all unrealized gains and losses on open positions (net of accrued commissions and other exchange/regulatory fees); plus 3) interest earned in the account. If Net New Profits for a month is negative, the negative amount shall constitute a "Carry Forward Loss" for the beginning of the next month and shall be added to any Carry Forward Loss from previous months. The Advisor shall not earn additional incentive fees until future Net New Profits exceed the aggregate Carry Forward Loss from previous months. These fees will be accrued monthly and invoiced at the end of each month. These fees are negotiable. Any increases or decreases in the nominal size of a client's account may be made only upon prior written notice to and agreement with the Advisor. Any reduction in an account's nominal value (whether through withdrawal of capital or otherwise) at a time when the account has a Carry Forward Loss will result in an adjustment to Carry Forward Loss in a ratio equal to the amount of the withdrawal or reduction divided by the account's nominal equity prior to the withdrawal. Increases in nominal equity subsequent to a withdrawal (whether through additions of capital or otherwise) will reduce the adjustment to the Carry Forward Loss but in no case increase the Carry Forward Loss above its previous highest level.

Miscellaneous

If for whatever reason a customer’s account is closed at any time during a calendar month, management and incentive fees are payable at the time of the account’s closing. These fees will be **Net New Profits** (as defined above) as of the date of the customer’s account closing. A participating customer is not entitled to a refund of any management fees or incentive fees paid or accrued to the date of such customer’s withdrawal from the managed account program.

NOMINAL FUNDING OF ACCOUNTS

To the extent a client directs JBH to recommend allocations based on nominal funds, JBH may be inhibited in an ability to adequately leverage or de leverage assets. This is because notional funding (partial funding) creates a naturally consistent leveraged situation. Clients should be aware that risk may be greater for a nominal funding process.

Returns At Various Funding Levels

Actual ROR	1x leverage	2x leverage	4x leverage
40%	40%	80%	160%
30%	30%	60%	120%
20%	20%	40%	80%
10%	10%	20%	40%
-10%	-10%	-20%	-40%
-20%	-20%	-40%	-80%
-30%	-30%	-60%	-100%
-40%	-40%	-80%	-100%

The following special disclosure is required by the CFTC since the Advisor may trade a customer’s account at a Nominal Account Size, which can include “notional funds” in addition to the Net Assets of the account:

SPECIAL DISCLOSURE FOR NOTIONAL-FUNDED ACCOUNTS

YOU SHOULD REQUEST YOUR COMMODITY TRADING ADVISOR TO ADVISE YOU OF THE AMOUNT OF CASH OR OTHER ASSETS (ACTUAL FUNDS) WHICH SHOULD BE DEPOSITED TO

THE ADVISOR'S TRADING PROGRAM FOR YOUR ACCOUNT TO BE CONSIDERED "FULLY-FUNDED." THIS IS THE AMOUNT UPON WHICH THE COMMODITY TRADING ADVISOR 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 COMMODITY TRADING ADVISOR'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 CONSULT THE ACCOUNT STATEMENTS RECEIVED FROM YOUR FUTURES COMMISSION MERCHANT 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.

If a participating customer withdraws from the managed account program on a date other than at the end of a calendar month, management fees and/or Incentive Fees are calculated as if such termination date were the end of a month. If a participating customer withdraws, the customer is billed for management fees and/or Incentive Fees accrued to the date of such withdrawal and the customer's obligation to pay futures fees terminates. A participating customer is not entitled to a refund of any management fees and/or Incentive Fees paid or accrued to the date of such customer's voluntary withdrawal or other termination of the account.

Following the end of each calendar month, the Advisor sends to a participating customer a bill for management fees and/or Incentive Fees that are due and owing to the Advisor. A bill is deemed sent to a participating customer upon the Advisor's depositing such bill in the United States mail in a first-class, postage pre-paid envelope addressed to the customer and is deemed delivered to the customer personally whether actually received or not. A bill is deemed correct and is conclusive and binding on a participating customer unless a written or verbal objection from the customer is received by the Advisor within five business days after such bill is mailed by the Advisor. If no written or verbal objection to a bill is received by the Advisor within the prescribed time, the Advisor presents such bill to the participating customer's FCM for full payment by it within five business days. In the Authorization to Pay Fees (copy attached), a participating customer authorizes the customer's FCM to transfer to the Advisor management fees and/or Incentive Fees from the customer's account within the prescribed time upon receipt of a bill for such fees from the Advisor.

POSSIBLE CONFLICTS OF INTEREST

Trading by The Advisor and its Principals for Their Own Accounts

The Advisor may continue to trade for his own accounts. In conducting such activities, the Advisor may have conflicts of interest in allocating management time and administrative functions. Further, the Advisor may use the same trading methods and strategies for clients' and their own accounts. However, in rendering trading advice to a client, the Advisor will not knowingly or deliberately favor any Proprietary Account over the account of any client. In entering orders across a variety of order platforms for the different FCMs or Forex Dealers, the Advisor will use his best manual efforts to assure fairness of order entry and execution. However, no assurance is given that the performance of all accounts controlled and managed by the Advisor will be identical, or even similar.

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ACKNOWLEDGEMENTS AND AUTHORIZATIONS

DISCLOSURE DOCUMENT

The undersigned hereby acknowledges receipt of the Disclosure Document for J.B. Henry Capital Management, Inc., dated August 1, 2009.

By: J.B. Henry Capital Management, Inc		Date:	
FOR ENTITY CLIENTS		FOR INDIVIDUAL /JOINT ACCOUNTS.	
Name		Name	
By (Print Name)		Signature	
Title:		Second Name	
Authorized Signatory		Signature	
Date		Date	