



MOBIUS
ASSET MANAGEMENT, INC.

Mobius Asset Management

MCR Trading Program

Overview

Mobius Asset Management is Commodity Trading Advisor (CTA) founded in 1996 and located in Scottsdale, Arizona. Mobius currently offers three distinct trading programs, Mobius Energy Program, X-Ceed Trading Program and MCR Program

Mobius Asset Management MCR Trading Program

- The Mobius Asset Management **MCR Trading Program** is a fully discretionary trading program, based on both systematic trading models and fundamental analysis. It's key to enforce discipline and consistency. The primary objective of the trading program is to detect early trend development and to be positioned in the direction of the market. Market entry and exit signals are activated by a specific set of proprietary trading rules based on daily market data. The program is designed to exit losses quickly while allowing profits to accrue. The trading program was developed with a minimum investment of \$150,000 in order to allow investors the opportunity to invest in a professional and highly disciplined non-traditional trading approach. Additional funds can be added in \$150,000 increments. The commodities traded include future contracts including, financials, metals, grains, energies, livestock and softs.
- The trading manager views risk management as important as returns. In order to prescribe to the main parameters of the trading program the trading manager will continuously monitor the portfolio on a daily basis. Specific modeling tools will be enforced in order to minimize risk. Each trade is crucial for the success of the trading program but the main thrust is making money overall.
- Accounts are offered and traded in \$150,000 units. Currently all trading is on a single contract basis per unit.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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

Managers Background

- **John R. McLane** is president and a principal of the Advisor. He became registered with the CFTC on October 20, 1995. He has been a member of the NFA in that capacity since that date. As of April 9, 1997, Mr. McLane transferred his registration as a sole proprietorship CTA to associated person of Mobius Asset Management Inc.
- Mr. McLane has been working in the commodity futures industry since 1977, when he began his career with Merrill Lynch as a futures broker in Rochester, New York. From 1979 to 1984, he worked as a futures specialist in the Rochester, New York office of Prudential Securities. From 1984 to 1988, Mr. McLane was employed as a futures specialist for E.F. Hutton in Phoenix, Arizona. In December 1988, he joined Dean Witter as a futures specialist in its Phoenix, Arizona office. Mr. McLane moved to Prudential Securities Inc.'s Phoenix office in May 1991, where he continued to work as futures specialist until July 1995. In July 1995, Mr. McLane left Prudential Securities to form Mobius Asset Management CTA. Mr. McLane was born in 1952 and is a 1974 Xavier University graduate with a Bachelor of Arts degree in Political Science.

Minimum Investment

- We recommend a minimum account size of \$150,000 in order to maximize trading opportunities
- We do accept notional funding but would strongly suggest funding at no lower of 50% of nominal value.

Trading Programs Fee Schedule

- The base fee structure is 2% Management and 20 % Performance. These fees are flexible depending on clients needs and objectives.

Types of Accounts Manages

- We look to manage accounts for high net worth individuals, partnerships, trusts, IRA's and small to medium sized institutions.

Program Goals

- The trading program was designed seeking superior alpha. The trading program is fully discretionary, trading from a list of 25 markets with intent of selecting the best short term opportunities available that could merge into long term winners.

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Average Holding Period

- Trade selection looks to hold positions starting at 3-5 days for the portfolio but also recognizes that losing trades must be eliminated in a quick fashion

Do you Trade Options

- Yes, we will trade options when necessary to reduce risk and maximize performance. We will never trade short option calls or puts.

Best / Worst Trading Environment

- The best trading environment for the trading program is when volatility is on an uptick and prices break pattern either in an up-trend or down-trend. We target the absolute beginning of momentum, in order to hopefully capitalize on major market moves.
- As in most cases, tight pattern consolidation periods will be testy to the program

Margin / Equity

- Our objective is for margin to equity to average in the 7%-10% range but could at time fall above and below these limits.

Risk Management

- We view risk management as important as returns. In order to maintain appropriate levels of risk and account volatility, the trading manager monitors the portfolio continuously throughout the course of each trading day. There is an attempt to anticipate sources of risk for each commodity and trade. Specific modeling tools are adapted to minimize risk and there are stop losses on every trade. Various profit objectives are used, depending on the commodity and the market in general. The trade itself is not necessarily so important, but making money is basic and the predominant goal.
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Programs Edge

- We are setting out to break the mold of how one thinks about and invests in managed futures. It's all about seeking alpha when most trading programs are stuck doing the same old thing and getting trapped time after time by shifting market environments. Just think for a moment how markets have changed with the advent of Algorithmic high frequency trading and how each trading manager no matter the methodology has been forced to adapt.

MCR Performance (Proprietary Program)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
2018	1.98	3.00	7.03	1.72	4.00	-0.90	2.60	-1.75					17.68
2017	1.94	-0.39	3.54	-2.33	3.34	0.24	-0.82	3.95	-2.28	0.06	-1.36	4.96	10.85
2016	2.56	2.60	-0.53	-0.06	-1.24	8.17	-1.68	8.33	3.80	3.87	3.68	-2.77	26.74
2015	5.28	-5.54	3.60	1.78	1.61	2.73	-1.28	4.68	0.74	-1.36	-2.87	-0.67	8.69
2014	0.81	-7.88	-1.22	-0.43	-4.16	6.41	10.66	-0.26	5.04	-4.61	-3.42	0.08	1.02
2013				1.77	2.93	-3.63	-1.03	8.19	-0.96	8.81	4.55	2.84	23.47

*** The above performance summary table was calculated using a Management Fee of 2% and an Incentive Fee of 20%. The commission rate was \$7.50 per round turn. The trading results were based on a proprietary account.

There is currently no Client performance.

Largest Peak to Valley drawdown: -13.69% (Jan14 – May14)

Largest Monthly Drawdown: -7.88 (Feb14)

The Monthly Rate of Return is computed by the dividing Net Performance by Beginning Equity plus or minus the weighted average of additions and withdrawals. The Monthly Rate of Return is based on a nominal account size of \$150,000 per month and the equity is adjusted to reflect that equity monthly.

Nominal Account Size returns computation differ from standard VAMI computations that are compounded.

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Risk Disclosure Notes to Performance

- Largest Monthly Drawdown: Represents the largest loss experienced by an account in the Trading Program in any calendar month expressed as a percentage of beginning net asset value. The term: "drawdown" means losses experienced by an account over a specified period.
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- Largest Peak-to Valley Monthly Drawdown: Represents the greatest cumulative percentage decline in month end net asset value due to losses sustained by an account in the Trading Program during any period in which the initial month end net asset value is not equaled or exceeded by a subsequent month end net asset value.
- The Monthly Rate of Return is based on a nominal account size of \$150,000 per month and the equity is adjusted to reflect that equity monthly.
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- ***** The above performance summary table was calculated using a Management Fee of 2% and an Incentive Fee of 20%. The round turn commission rate was \$7.50. The trading results were based on a proprietary account.**
- **PLEASE NOTE THAT THERE IS A SUBSTANTIAL RISK OF LOSS ASSOCIATED WITH TRADING FUTURES AND OPTIONS CONTRACTS. FUTURES' TRADING IS NOT SUITABLE FOR ALL INVESTORS.**
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