

## Conservative Variant - Investment Strategy

The Annual Cycle Trading Strategy (ACTS) is a systematic, long only, tactical stock index strategy that capitalizes on the financial market's seasonal tendencies. The overall goal of the Conservative trading system is to achieve stock market type returns with 50% of the risk. Consequently, the ACTS system is correlated to the S&P 500 and Dow Jones Industrial Average when it has been historically beneficial to do so. The ACTS system is highly liquid and provides added value as a diversification to portfolios that have other alternative assets.

Among the tools we use to time the crucial entry and exit dates are momentum reversal indicators, large price drops, market reaction during quarterly earnings reports (particularly Q1 and Q3), profits stops, and key moving averages. Our strict rules have generated entry dates in past cycles ranging between August through December, and exit dates ranging from March to the beginning of the next cycle (i.e., no sell signal).

## Conservative Variant - Risk Management

In addition to having a very low margin to equity, the Conservative Variant of the ACTS system greatly minimizes market risk by typically being in the market for approximately six months out of the year. Historically, this strategy has allowed investors to avoid all but a few of the serious equity sell offs in the past 90 years while the Conservative Variant would be safely residing in CASH. Furthermore, the ACTS system employs a hedging strategy through the purchase of out-of-the-money put option contracts and/or option collars on the underlying futures held. Our intended purpose for hedging within the ACTS system is to limit the opportunity for catastrophic losses. It is our opinion that these out of the money options, for their cost, are an effective risk control. Since positions within the ACTS system may be held for a long period of time, these options may help to protect against extreme volatility.

## Conservative Variant Monthly Returns – Boston & Zechiel Capital Partners II, LP Pro-Forma Proprietary Results\*

January 2010 – December 2016 (see disclosure on page 2)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	-1.22	1.19	5.14	0.73	-2.08	-1.42	-0.31	0.85	0.50	-0.53	2.03	0.79	5.63
2015	-5.55	5.36	-1.07	0.15	-0.33	-0.22	-1.83	-2.51	-0.31	-0.17	1.96	-1.26	-5.97
2014	-7.97	6.16	0.89	0.85	-1.85	-0.22	-0.28	0.28	-0.44	4.26	3.08	-0.30	3.84
2013	7.62	1.92	4.24	-0.31	-0.26	-0.26	-0.25	-0.30	-0.25	1.32	4.39	3.28	22.90
2012	3.90	3.12	2.04	-2.22	-0.28	-0.27	-0.27	-0.27	-0.27	-0.28	0.23	0.91	6.36
2011	4.15	4.57	-0.82	1.71	-0.16	-0.41	-0.13	-0.14	-0.14	4.17	2.01	1.65	17.52
2010	-5.37	4.43	6.66	3.56	-0.18	-0.80	-0.18	-0.10	-0.17	-0.44	-1.14	6.70	13.02

- Indicates that the strategy was **IN CASH**.

## Fund Information

Manager  
Administration  
Audit  
Legal

Boston & Zechiel Management, LLC  
Turnkey Trading Partners  
Kaplan & Company  
Funkhouser, Vegosen, Liebman & Dunn

## Contact Information

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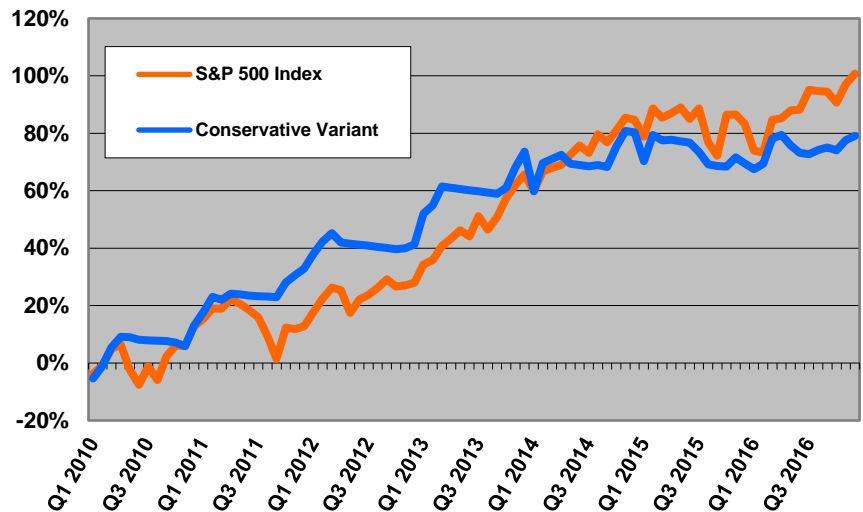
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## Disclaimer

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## Performance Summary & Fund Information

CAROR	8.98
Annualized Volatility	10.11
Sharpe Ratio (RFR = 1%)	0.80
Round Turns/Year/Million	400
Commission Rate	\$7.50
Management/Incentive Fee	2%/20%
Average Margin to Equity	0% - 6.5%
Strategy AUM	\$761,000
Minimum Investment	\$250,000



## \*Material Assumptions Performance Disclosure

The performance information presented above is based on proprietary trading conducted by BZM for a commodity pool and not independent managed accounts. The commodity pool, Boston & Zechiel Capital Partners II LP ("BZCPPII"), for the period presented, consisted of entirely proprietary funds. The trading methodologies used by BZM in managing BZCPPII are materially similar to those that will be utilized with the managed accounts program being presented. Accordingly, the proprietary performance presentation above has been pro-forma adjusted to reflect the standard 2% monthly management fee and 20% quarterly incentive fee your account would experience while trading the Annual Cycle Trading Strategy - Conservative Variant. The final returns are also inclusive of all fund administration fees. It is BZM's belief that the returns presented accurately represent the returns a similar managed account would have achieved during the same period of time had such an account been traded. Fees and expenses are expected to be less for an individually managed account versus participation in the commodity pool.

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