



HMNH Capital LLC

Information Memorandum

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION ("CFTC") IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN FILED WITH THE CFTC. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE CONSEQUENTLY. THE CFTC HAS NOT REVIEWED OR APPROVED THE TRADING PROGRAMMES OR THIS INFORMATION MEMORANDUM.

RISK DISCLOSURE

THE RISK OF LOSS IN FOREX TRADING 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:

1. FOREX TRANSACTIONS ARE NOT TRADED ON AN EXCHANGE, AND THOSE FUNDS DEPOSITED WITH THE COUNTERPARTY FOR FOREX TRANSACTIONS MAY NOT RECEIVE THE SAME PROTECTIONS AS FUNDS USED TO MARGIN OR GUARANTEE EXCHANGE-TRADED FUTURES AND OPTIONS CONTRACTS. IF THE COUNTERPARTY BECOMES INSOLVENT AND YOU HAVE A CLAIM FOR AMOUNTS DEPOSITED OR PROFITS EARNED ON TRANSACTIONS WITH THE COUNTERPARTY, YOUR CLAIM MAY NOT RECEIVE A PRIORITY. WITHOUT A PRIORITY, YOU ARE A GENERAL CREDITOR AND YOUR CLAIM WILL BE PAID, ALONG WITH THE CLAIMS OF OTHER GENERAL CREDITORS, FROM ASSETS STILL AVAILABLE AFTER PRIORITY CLAIMS ARE PAID. EVEN CUSTOMER FUNDS THAT THE COUNTERPARTY KEEPS SEPARATE FROM ITS OWN OPERATING FUNDS MAY NOT BE SAFE FROM THE CLAIMS OF OTHER GENERAL AND PRIORITY CREDITORS.

2. 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.

3. MANAGED ACCOUNTS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES AND THE ACCOUNT MAY NEED TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETING OR EXHAUSTING ITS ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE ACCOUNT MANAGER.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND SIGNIFICANT ASPECTS OF THE FOREX MARKETS. THEREFORE, YOU SHOULD CAREFULLY REVIEW THIS DISCLOSURE DOCUMENT BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT.

NATIONAL FUTURES ASSOCIATION HAS NEITHER PASSED UPON THE MERITS OF PARTICIPATING IN THIS TRADING PROGRAM NOR THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT. 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.

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Background

HMNH Capital LLC (“HMNH”) is an Delaware Limited Liability Company. Its business office is located at Tigne Tower, Tigne Street, Suite 35, Silema SLM 3172, Malta. Pablo Marcozzi is the founding member of the company and the main shareholder.

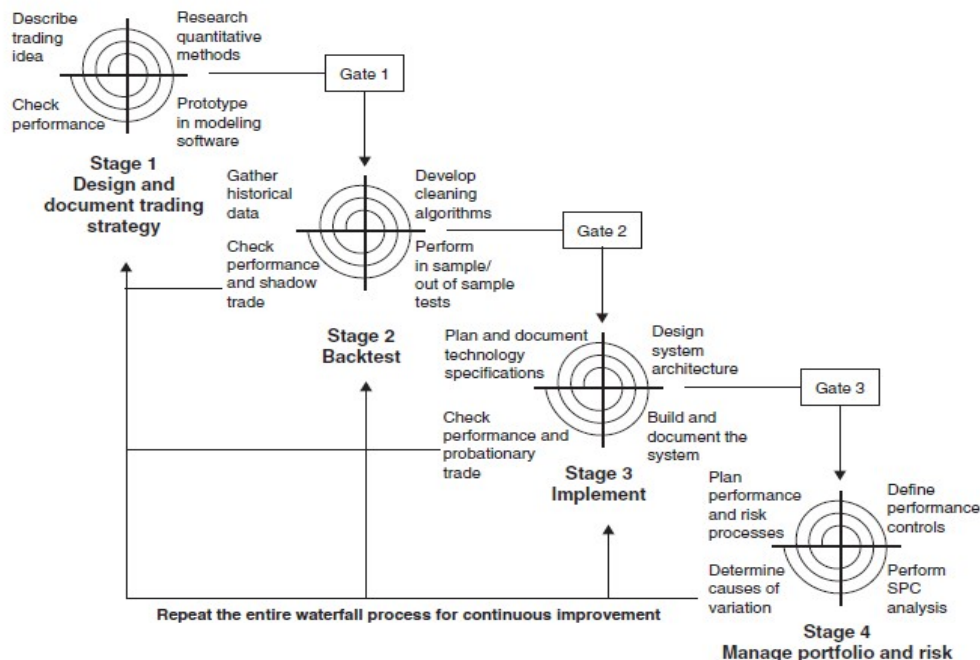
We are a currency management company focused on fx quantitative strategies. The company applies a quantitative and systematic approach to investment management with the aim of generating high-quality and diversifying alpha for its clients’ portfolios. We implement our alpha strategies through managed accounts.

Investment Programme

HMNH Capital trade the following investment programme:

The **FX SELECTIVEQ PROGRAMME (FXSQ)** presents a quantitative investment strategy that is capable of producing strong risk-adjusted returns of portable alpha.

The strategy combines mean reversion and momentum strategies to construct a diversified statistical arbitrage approach. Dynamic portfolio optimization is utilized to re-balance exposures as the market environment evolves. These strategies are based on the statistically-proven persist existence of very short term behaviors in fx prices.



Investment Philosophy

We believe that exchange rate movements between developed market currencies are mostly random. Therefore, exchange rate returns cannot be predicted with any consistency. Periodically, however, exchange rates exhibit characteristics that can be exploited in a systematic manner to generate excess returns.

We believe that the best way to add value in currency overlay management is by controlling risk of loss successfully.

Investment Process

The FXSQ model also runs a quantitative analysis of the markets it is trading to establish a predicted volatility, correlation, liquidity and price level for each instrument.

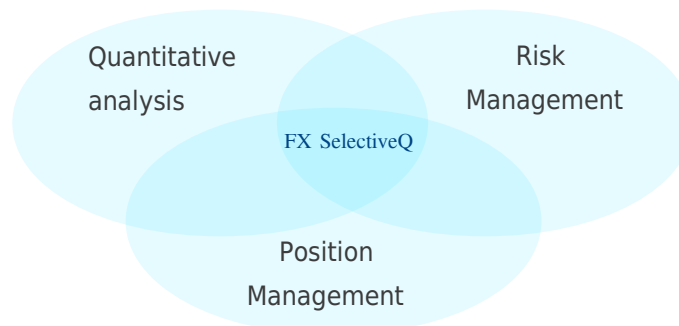
This prediction then becomes the basis of short term orders that are placed in the market.

The program relies heavily on an endogenous approach where market statistics are vital to determine for how long a position is held and how the exposure should vary through the holding period.

Once a order is executed a series of limited orders are placed in the market place. These are dynamically and systematically changed as the market moves. The positions are not entirely target driven and trades will continue until conditions for the short term trend are shown to reverse. Portfolio dynamics, but in an opportunistic sense, are at the heart of the process.

While initial signals and risk is determine by the model, the leverage is adjusted depending on the performance of the program and the number of open positions the model has on at any one time. Position sizes (leverage) and risk models are adjusted to keep with each currency pair risk limit.

The strategy is re-balanced to adjust positions based on opportunities. Total risk commitment is allocated on the basis of a proprietary set of mathematical disciplines.



Risk Management

The risk management is determined by the hedging strategy, market volatility, liquidity and maximum monthly drawdown levels.

System risk:

VaR, analysis of risk reward symmetry of trades, 24hs sensitivity and scenario analysis, volatility and correlation analysis, quantitative risk approach of re-balancing trades upon position management.

Operational Risk:

All investments undergo continuous monitoring. All systems and processes have backup systems and business continuity plans.

Market Risk

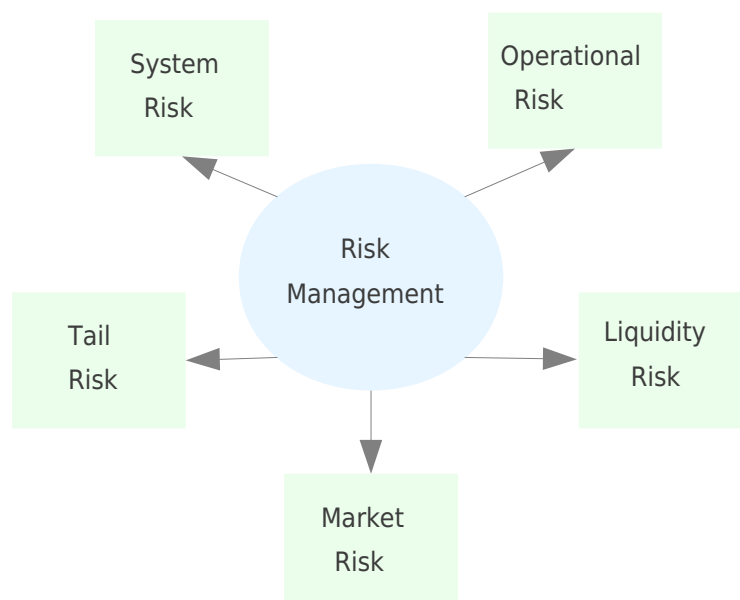
We monitor underlying levels of beta adjusted net exposure in order to manage underlying directionality of our portfolios.

Liquidity Risk

We monitor our ability to discover liquidity stress scenarios.

Tail Risk

We systematically assess our system levels of leverage, liquidity and concentration.



Range of instruments

HVNH Capital trades the next pairs:

EUR/USD CHF/JPY USD/CAD AUD/CAD GBP/CAD EUR/JPY GBP/CHF
USD/JPY EUR/CHF NZD/USD GBP/JPY EUR/GBP GBP/USD EUR/CAD

Account Opening & Brokerage

HVMH Capital acts as an Investment Advisor and holds no client monies at any time. In the case of Managed Accounts, such monies are deposited into Oanda Corp. ("the broker"). These accounts are opened by clients in their own names. The investor funds remain at their own direct control at all times.

The minimum account size is USD 10,000.

To open an account a client needs to enter into a Limited Power of Attorney agreement with HVMH Capital. A copy of the agreement can be obtained on request by e-mail at info@hvmhcapital.com

Fee Structure

An Performance Fee of 25% is charged; this is based on Net New High Trading Profits in the account. Net New High Trading Profits are excess trading profits over and above the previous highest cumulative trading profits when an incentive fee was payable. Any Trading Loss in a period would be recouped before an Performance Fee becomes payable.

HVMH Capital can, at its own discretion, offer alternative fee structures to existing and/or new clients.

Principal

Pablo Marcozzi (NFA No. 0425549) carries overall responsibility for the company as its Chief Executive Officer. Additionally, he is responsible for HVMH investment strategies and research.

He has been involved in financial markets for over twelve years. In June 1998 he started his career at trading currencies, and has been a full time trader, for several years. In 1999, he served as an Assistant Market Maker on the currency desk in ML ARG, and eventually becomes Head Trader. He remained with the firm until 2002, when he set out to start a proprietary trading career.

He has experience in currency market making, hedging complex portfolios, stat arb and quantitative models, tape reading, risk management, volatility arbitrage, spread trading and correlation trading.

Also he is responsible for analyzing various markets and creating new trading systems for reading algos and quantitative strategies, in the area of currency alpha measurement.

RISK FACTORS

There is a significant amount of risk involved in trading. No assurance can be made that profits will be achieved or that substantial losses will not be incurred. Below are several of the factors that Clients should consider when evaluating an investment with HMNH. Clients should also seek the advice of independent qualified sources of investment and tax advice to determine if trading is suitable in light of the Client's portfolio and investment objectives.

Investment and Trading Risks in General. All trades made by HMNH risk the loss of capital. HMNH will utilize such investment techniques as margin transactions and forward and futures contracts, which practices can, in certain circumstances, maximize the adverse impact to which a Client's account may be subject. No guarantee or representation, is made that HMNH's program will be successful, and investment results may vary substantially over time.

Fx interest trading is speculative and highly leveraged. A principal risk in fx trading is the traditional volatility (rapid fluctuation). Because of the low margin deposits typically required in fx contract trading, a relatively small movement in the market price of a fx contract may result in a disproportionately large profit or loss and could lead to a loss larger than the amount originally invested.

Highly Volatile Markets. The prices of fx contracts and all derivative instruments including futures and forward prices are highly volatile. Price movements of forward and the related contracts in which the Client's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instrument futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest-rate fluctuations. The Client also is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses.

Reliance on HMNH Capital. No assurance can be given that HMNH's techniques and strategies will be profitable. The specific details of HMNH's trading methods are proprietary; consequently, you will not be able to determine the details of those methods or whether those methods, as described herein are being followed. HMNH will alter the application of its trading methods when it determines that a change is in the best interest of its Clients.

Changes in Trading Approaches. The Advisor, in its sole discretion, may make changes and modifications to its trading program from time to time without prior notice to the Client. As a result of any such modification, the trading methods that may be used for in the future for Clients could differ from the methods currently used by HMNH.

Illiquidity. It may not always be possible to execute a fx buy or sell order at the desired price or to close out an open position, either due to market conditions, daily price fluctuation limits or speculative position limits. Once the price of a contract for a particular fx currency has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent HMNH from liquidating positions at advantageous prices and subject the Client to substantial losses.

Unregulated Markets. A portion of HMNH's trading may take place in unregulated markets. It is impossible to determine vent abuses such as "front -running" or impose other effective forms of control over such markets. The fair pricing, pre absence of regulation could expose a Client in certain circumstances to significant losses which it might otherwise have avoided. Trading in unregulated markets can involve significant risks, especially during periods of market disruptions. No specific limitation on the amount of such trading, if any, will be imposed by HMNH.

Off-Exchange Transactions / Counterparty Creditworthiness. HMNH will enter into off-exchange transactions, including currency spot and forward contracts on behalf of the Client. Off-exchange contracts are substantially unregulated and such contracts are not guaranteed by an exchange or its clearing house; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. There is no limitation on daily price movements and speculative position limits are not applicable in such markets. The principals who deal in the forward markets are not required to continue to make markets

in the currencies they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any currency traded by HMNH due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which HMNH would otherwise recommend, to the possible detriment of the Client. Market illiquidity or disruption could result in major losses to the Client. Consequently, trading in these contracts is subject to more risks than the trading of instruments on regulated exchanges, including, but not limited to, the risk that a counterparty will default on an obligation. The counterparties will typically not be required to post collateral. The Client's -exchange transactions are also subject to legal risks, such as the legal incapacity of a counterparty to enter into a particular contract or the declaration of a class of contracts as being illegal or unenforceable.

Clients Personally Liable For Losses in Their Accounts. In a managed account, as opposed to a limited liability investment such as a commodity pool, a Client's liability for losses in the account is a direct personal liability of the Client's potential loss is by no means limited to the amount of assets which he commits to the account. For example, in a market in which HMNH is unable to liquidate positions, Clients could lose well in excess of the maximum they had thought they were risking in their fx trading.

Currency Risks. A portion of a Client's assets may be invested in instruments denominated in various currencies and in other financial instruments, the price of which is determined with reference to such currencies. The Client's account will, however, be valued in U.S. dollars. To the extent unhedged, the value of the Client's net assets fluctuate with U.S. dollar exchange rates as well as with price changes of the Client's investments in the various currencies. Forward currency contracts may be utilized by HMNH as part of its trading programs.

Counterparty Credit Risk. HMNH trade in the over-the-counter and foreign markets. These markets do not have the safeguard mechanisms of a clearing organization which, in effect, guarantee every exchange-traded instrument. In contrast to exchange-traded futures contracts, over-the-counter instruments rely on the dealer or counterparty being contracted with to fulfill its contract. Failure by a counterparty to fulfill its contractual obligations could expose the Client to unanticipated losses.

Compensation Arrangements with HMNH. HMNH earns its fees based on the performance of its investments and trading. Such compensation arrangements may create an incentive for HMNH to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance based compensation is generally calculated on a basis which includes unrealized appreciation of the Client's assets, it may be greater than if such compensation were based solely on realized gains.

Failure of Brokers and Other Depositories. The Client's assets will be held by its futures commission merchant "FCM", various financial institutions and entities through which foreign currency contracts are transacted. Although the Commodity Exchange Act requires an FCM to segregate the funds of its customers, if an FCM fails to properly segregate customer funds, the Client's account may be subject to a risk of loss of its funds on deposit with the FCM in the event of the FCM's bankruptcy or insolvency. In addition, under certain circumstances, such as the inability of another customer of the brokers or the brokers themselves to satisfy substantial deficiencies in such other customer's account, the Client's account may be subject to a risk of loss of its funds on deposit with the FCM, even if such funds are properly segregated. In the case of any such bankruptcy or customer loss, the Client might recover, even in respect of property specifically traceable to the Client, only a pro rata share available for distribution to all of the brokers customers.

The Client's account is subject to similar risks as discussed above in the event a depository not subject to the Commodity Exchange Act undergoes bankruptcy, insolvency or a customer loss. Moreover, unlike an FCM, other depositories may not be restricted in the type of investments it may make with Client assets.

THE FOREGOING RISKS DO NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF ALL THE RISKS INVOLVED IN AN INVESTMENT WITH HMNH. POTENTIAL CLIENTS SHOULD READ THIS ENTIRE DISCLOSURE BROCHURE AND CONSULT WITH THEIR OWN ADVISERS BEFORE MAKING A DETERMINATION TO INVEST IN HMNH CAPITAL PROGRAMS.



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