CKP Finance Associates AG

Zythusmatt 12
CH-6330 Cham, Switzerland
Phone: +41-41-781-3878
Fax: +41-41-780-1821
e-mail: klauswschatz@yahoo.com

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COMMODITY TRADING ADVISOR DISCLOSURE DOCUMENT

CKP MST TRADING PROGRAM

THE DATE OF THIS DISCLOSURE DOCUMENT IS FEBRUARY 1, 2011

THE DELIVERY OF THIS DISCLOSURE DOCUMENT AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE SHOWN ABOVE.

THIS ACCOUNT DOCUMENT IS FOR QUALIFIED ELIGIBLE PERSONS ONLY AS DEFINED IN CFTC REG. 4.7

RISK DISCLOSURE STATEMENT

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, YOU SHOULD BE AWARE OF THE FOLLOWING:

IF YOU PURCHASE A COMMODITY OPTION YOU MAY SUSTAIN A TOTAL LOSS OF THE PREMIUM AND OF ALL TRANSACTION COSTS.

IF YOU PURCHASE OR SELL A COMMODITY FUTURES CONTRACT OR SELL A COMMODITY OPTION OR ENGAGE IN OFF-EXCHANGE FOREIGN CURRENCY TRADING YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS OR SECURITY DEPOSIT AND ANY ADDITIONAL 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 REQUESTED 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 COMMODITY INTEREST 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 COMMODITY 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 6, 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 COMMODITY INTEREST MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY INTEREST TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGE 4.

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 OR RETAIL FOREIGN EXCHANGE DEALER, AS APPLICABLE.

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FOREWORD

CKP Associates, L.L.C was registered in Delaware, USA as a corporation on October 31, 1995. Its successor CKP Finance Associates AG was registered on November 6, 2006 in Zug, Switzerland. Its office is located at Zythusmatt 12, CH-6330 Cham, Switzerland. The books and records of CKP Finance Associates AG (CKP) are kept at the above office. Its telephone number is +41-41-781-3878, fax number is +41-41-780-1821.

NAME OF PRINCIPAL

Klaus W. Schatz is the CEO and majority shareholder of CKP. On October 19, 2001 CKP was admitted to NFA membership as a Commodity Trading Advisor (CTA), with Klaus W. Schatz as an Associated Person (AP). On March 31, 2008 Corstiana J. Tjoa was registered as an AP.

BUSINESS BACKGROUND OF THE CTA

CKP has conducted business as a CTA since October 2001. Trading before October 2001 has been for the own account of the proprietor. The primary business of CKP as a CTA, is to trade and advise clients in trading commodity futures contracts and options on those contracts. CKP is registered with the Commodity Futures Trading Commission (CFTC) as a Commodity Trading Advisor and is a member of the National Futures Association (NFA). The trading strategy described subsequently has been developed through successive improvements of earlier mathematical models. CKP has been granted an exemption pursuant to CFTC Reg. 4.7. Therefore, this document is “For Qualified Eligible Persons only”, as defined in CFTC Reg. 4.7.

Biography of CKP Principal

Klaus W. Schatz obtained his education in Germany, where he graduated with a number of engineering degrees (BSME, BSChE, MSChE, PhDChE). He was employed from June 1970 to his retirement in March 2000 in the research department of Mobil Oil Corporation. His most recent major assignment was as the lead scientist of a DOE sponsored, industry-wide program on refinery operating safety and risk management. His interest in commodities was sparked in the early 1980s when he set up a discretionary trading account with a major brokerage house. Disappointed by the lack of knowledge, experience and success of his assigned trading advisor, he set out to learn trading on his own on a part-time basis. He developed and tested several mathematical models incorporating his strong background in mathematics and risk analysis. The effort culminated in the Multi Strategy Trading (MST) Program presented in this document. The program comprises trading commodity options and the underlying futures.

MAJOR RISK FACTORS

As stated on page 2 of this document, the risk of loss in trading commodities can be substantial. The risks include, besides those outlined on page 2, risks specific to this trading program as follows: CKP trades in several markets: currencies, softs, metals, energies, financials and grains. A client who invests with CKP will only have the benefit of diversification between these markets if positions overlap sufficiently in time. Within each market, positions can become highly correlated. Because CKP does not predominantly trade futures but rather options, clients of CKP will generally not participate in large moves of the underlying commodity as can occur e.g. in such markets as currencies, financials or softs.

In addition to the risks inherent in trading commodity interests pursuant to instructions already provided herein by CKP, there exist additional risk factors, including those described below, in connection with a customer participating in the CKP MST Program. Prospective customers should consider all of the risk factors described below and elsewhere in this Disclosure Document before participating in any program.

Commodity trading is speculative and volatile.

Commodity interest prices are highly volatile. Price movements for commodity interests are influenced by, among other things: changing supply and demand relationships; weather; agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments; United States and foreign political and economic events and policies; changes in national and international interest rates and rates of inflation; currency devaluations and revaluations; and emotions of the marketplace. None of these factors can be controlled by CKP and no assurance can be given that CKP's advice will result in profitable trades for a participating customer or that a customer will not incur substantial losses. In severe market conditions these losses can exceed the initial deposit by the client and leave the account with a negative liquidation value.

Commodity trading is highly leveraged.

The low margin deposits normally required in commodity interest trading (typically 2% to 15% of the value of the contract traded) permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses to the investor. For example, if at the time of purchase 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deductions for brokerage commissions. A decrease of more than 10% would result in a loss of more than the total margin deposit. Thus, like other leveraged investments e.g. in real estate, any trade may result in losses in excess of the amount invested. When the market value of a particular open position changes to a point where the margin on deposit in a participating customer's account does not satisfy the applicable maintenance margin requirement imposed by the FCM, the customer, and not CKP, will receive a margin call from the FCM. If the customer does not satisfy the margin call within a reasonable time (which may be as brief as a few hours) the FCM will close out the customer's position.

Commodity trading may be illiquid.

Most United States commodity exchanges limit price fluctuations in certain commodity interest prices during a single day by means of "daily price fluctuation limits" or "daily limits." The daily limit, which is set by most exchanges for all but a portion of the expiration month, imposes a floor and a ceiling on the prices at which a trade may be executed, as measured from the last trading day's close. While these limits were put in place to lessen margin exposure, they may have certain negative consequences for a customer's trading. For example, once the price of a particular contract has increased or decreased by an amount equal to the daily limit, thereby producing a "limit-up" or "limit-down" market, positions in the contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Contract prices in various commodities have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent CKP from promptly liquidating unfavorable positions and subject a participating customer to substantial losses that could exceed the margin initially committed to such trades.

Risk of Currency Fluctuations

All deposits of foreign currency into an account are kept as such. However, all trading profits are carried in USD and exposed to currency fluctuations. These currency fluctuations are born exclusively by the client.

Participating Customer's FCM may fail.

Under CFTC regulations, FCMs are required to maintain customer's assets in a segregated account. If a customer's FCM fails to do so, the customer may be subject to risk of loss of funds in the event of the FCM's bankruptcy. Even if such funds are properly segregated, the customer may still be subject to a risk of a loss of his funds on deposit with the FCM should another customer of the FCM or the FCM itself fail to satisfy deficiencies in such other customer accounts. Bankruptcy law applicable to all U.S. futures brokers requires that, in the event of the bankruptcy of such a broker, all property held by the broker, including certain property specifically traceable to the customer, will be returned, transferred or distributed to the broker's customers only to the extent of each customer's pro-rata share of all property available for distribution to customers. If any futures broker retained by the customer were to become bankrupt, it is possible that the customer would be able to recover none or only a portion of its assets held by such futures broker.

It should be noted that clients are free to choose the FCM or introducing broker through whom their accounts trade. CKP recommends that each prospective client familiarize him / herself with the services, experience, and integrity of any futures commission merchant or introducing broker with whom he / she does business. CKP accepts no responsibility for the selection of a client's clearing agent.

Trading risks

The CKP MST Program may experience large movements of account value in case of large price movements of the underlying commodities. These changes can occur overnight when options can only be traded in a very limited way. Option markets are very thin overnight and stop-loss orders on the options are not effective. Futures positions in the overnight markets might have to be established with additional margin requirements to cover exposed option positions. In general, the use of futures by CKP to cover short option positions may increase the volatility of the account.

The trading principles and experience of CKP in trading options are factors upon which the allocation of assets is based. From time to time the size of an options position may be changed. Such decisions require the exercise of subjective judgment and include consideration of the volatility of the particular futures market, the pattern of price movement, open interest, volume of trading, changes in option and futures prices, and overall portfolio balance and risk exposure. No assurance is given, however, that consideration of any or all of these factors will be made with respect to every trade, or that consideration of any of the above in a particular situation will lessen the risk of loss.

The selection of a profit target determines the number of contracts traded. The attempt of a recovery from a loss by further raising the monthly profit target increases the risk, and higher monthly profits might not be sustainable over an extended period of time. The higher the loss, the longer is the time required to recover from it.

TRADING PROGRAM

CKP may alter its trading methods, including changes in the trading systems, the markets being traded, and in the trading principles, without approval by the client if CKP determines that such changes in methods are in the best interest of the client. Any material changes will be disclosed to clients. All trades made by CKP will be on regulated exchanges.

INVESTMENT STRATEGY

The CKP MST Program is a multiple strategy trading program. It is based on fundamental and technical analyses and additionally uses several common and proprietary stochastics and indicators. The program predominantly trades options, spreads and combinations, which may include futures, in a few selected markets. Trading of futures to cover short options, or outright trading of futures can also be part of the program. CKP looks predominantly at short range technical factors and patterns that affect the commodity prices over the near future. In strongly trending markets CKP may go long options or use bear or bull spreads or other such combinations. CKP strives to use the most promising strategy among multiple strategies available for any changing market condition.

The new strategy described here is a distinct departure from earlier option trading programs offered by CKP. The strategy is more flexible and is expected to have lower fluctuations of monthly results and tries to avoid major draw downs. However, no guaranty whatsoever can be given that such efforts will be successful.

The number of option contracts traded of a particular commodity is based upon various factors including the monthly profit target, initial margin requirements, volatility, liquidity, and trend behavior of the underlying commodity. The profit target determines the strike prices, entry and exit points and number of the option positions. The decision not to trade certain commodity options for certain periods, or to reduce the number of contracts traded in a particular commodity, might result in missing a significant profit opportunity.

From time to time, CKP may convert all commodity futures and options positions to cash or cash equivalents.

FEES

In compensation for its trading services, CKP typically charges a monthly management fee equal to 2/10th of 1% of an account's Net Asset Value (or of the trading level for notionally funded accounts) at month-end, a monthly incentive fee equal to 25% of the account's Trading Profits (as defined below), and a surcharge of $1.00 per contract traded.

CKP retains the right to charge accounts different fee structures than those described above. CKP may charge monthly management fees ranging from 1 to 4% per year. In addition, CKP may apply a trading surcharge of up to 2.00 US$ per contract. CKP may charge incentive fees ranging from 15 to 30% of trading profits per month. Criteria used in determining fee levels include, but are not limited to, the size of the account, the commission level, the existence of a fee sharing agreement with an IB, the subscription to external risk management or license fees incurred for trading platforms or other software.

CKP, in its proprietary trading accounts, may e.g. for the purposes of testing alternate trading systems, trade its own account at higher margin to equity ratios than those used for client accounts. Generally, clients are not permitted to inspect the records of proprietary trading or any written policies related to such trading.

Net Asset Value means generally the combined total actual assets committed to CKP's trading programs less total liabilities, determined as set forth below.

For the purposes of this calculation:
(i) Net Asset Value shall include any unrealized profit or loss on securities, including T-bills, and open commodity futures and options positions, less accrued commissions.
(ii) All securities and open commodity positions shall be valued at their current market value, which means with respect to open commodity positions, the settlement price as determined by the exchange on which the transaction is effected or the most recent appropriate quotation as supplied by the clearing broker or banks through which the transaction is effected, except that US Treasury Bills (not futures contract thereon) shall be carried at their cost or their market value as provided by the FCM. If there are no trades on the date of the calculation due to the operation of the daily price fluctuation limits or due to the closing of the exchange on which the transaction is executed, the contract will be valued at fair value.

Trading Profits (for the purpose of calculation the fee only) during a calendar month shall mean (i) the net of profits and losses resulting from all commodity trades closed out during such month, plus (ii) the net of any profits and losses on commodity trades open as of the end of such month, less accrued commissions, minus (iii) any profits and losses carried forward on open commodity trades from the preceding calendar month, minus (iv) the account's "Carry Forward Loss" (as defined by the following sentence), if any, as of the beginning of the calendar month, minus (v) management fees paid to CKP, plus (vi) earned interest. If the total of items (i) to (vi) above is negative at the end of the calendar month, such amount shall be the "Carry Forward Loss" for the next calendar month.

With regard to the "Carry Forward Loss" if the client withdraws funds from, or reduces the notional amount of, the account during a period when there is such a "Carry Forward Loss", the loss shall be reduced, at the time of the withdrawal or reduction, by the percentage obtained by dividing the amount of the withdrawal or reduction by the account's Net Asset Value immediately before the withdrawal or reduction.

The monthly management fee shall be paid whether or not an account has a profit. However, the incentive fees are payable only on new Trading Profits in an account. For example, if an account incurs a loss after an incentive fee payment is made, CKP will retain the payment but will receive no further incentive fee in subsequent months until the account has recovered such loss and generated new Trading Profits.

The monthly management fee is due and payable on the last business day of each month and incentive fees are due and payable on the last business day of the applicable period. On the first business day after the end of the month, CKP will prepare an invoice setting forth the amount of monthly management fees and/or incentive fees payable. CKP is authorized by the client to have these fees deducted directly from the account by the FCM. Upon request, CKP shall furnish the client with a copy of the invoice presented to the FCM. The client agrees to assure payment to CKP of applicable management fees and incentive fees within ten business days of the date of the invoice is submitted to the FCM. The surcharge is debited to the account as part of the total fees per trade.

CKP may at times cause options or futures transactions to be executed by brokerage firms other than the one at which the accounts are carried. Clients agree to pay any additional charges, which shall not exceed $2.00 per side on such trades for the transfer of the options or futures positions to the carrying brokerage firm.

CKP may at times pay a portion of collected fees to third parties, properly registered with the NFA or other regulatory authorities, for referral services.

CONFLICTS OF INTEREST AND AFFILIATION WITH FUTURES COMMISSION MERCHANTS

A commodity trading advisor (CTA) who earns commissions has an incentive to generate commissions by more frequent trading, which could be in conflict with his responsibility as a CTA to pursue a profitable trading strategy without regard to commission generation.

At times, there could be a conflict of interest when CKP, as a result of a neutral allocation system, testing of a new trading system, or trading of a proprietary account in a more aggressive fashion, takes a position in a proprietary account which is opposite to or ahead of that taken for a client account. It should be noted that CKP may take such positions in the above situations.

COMMODITY TRADING BY CKP's PRINCIPAL

Dr. Klaus W. Schatz has traded commodities for his own accounts and will continue to do so in the future. This could involve a conflict of interest in that the personal trades could be in competition with accounts managed by CKP in seeking execution of trading orders. Neither Dr. Schatz, nor any other AP working for CKP will knowingly or deliberately favor their personal trading account(s) over those of clients of CKP. Clients may not inspect the personal trading records of Dr. Schatz, or any other AP of CKP.

Dr. Klaus W. Schatz may advise additional accounts, including publicly offered commodity pools, which together with accounts already being advised could increase the level of competition for the same trades selected by CKP. The positions of all accounts controlled by CKP will be aggregated for the purpose of speculative position limits. Thus, an account advised by CKP may be unable to enter into or maintain a certain position, which when added to the open contracts held by other accounts controlled by CKP, would exceed applicable position limits. CKP thus has a conflict of interest between benefiting from managing more funds and limiting the assets under management in order to reduce the possible effects of competition for trades or aggregation of positions. The level of competition for the same trades selected by CKP could also affect the priorities of order entry, but CKP will not deliberately or knowingly favor any account advised by CKP over any other account. Other than as stated above, CKP is not aware of any conflicts of interest with any FCM or any principal of a futures commission merchant.

LITIGATION

There has never been a material administrative, civil, or criminal proceeding against CKP or its principal.

FURTHER INFORMATION AVAILABLE UPON REQUEST

Any client or prospective client of CKP desiring further information concerning CKP may request such information by contacting CKP at the mailing address listed in this disclosure document.

RISK MANAGEMENT

New measures of risk management are being applied. In most cases the CKP MST Program will not use positions with unlimited risk, except when using far OTM "behind" the trend options or when legging into a combination where the covering position will be entered with a time delay. CKP attempts to keep the risk of any position below 2.5% of NAV. However, no guaranty whatsoever can be given that CKP will be able to adhere to this limit under extreme market conditions.

PERFORMANCE SUMMARY

Dr. Schatz makes all trading decisions for the accounts traded by CKP. CKP has utilized various other trading strategies, not described in this disclosure document, in its option trading accounts since January 1982. CKP has a trading record of client accounts for the CKP MST Program that, so far, covers only the first 3 months after inception of the program.

DISCLAIMER

The risk of loss is always present; at this point, reference is specifically made to the risks described on pages 2 and 4-6 of this document.

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

TABLE 1
Composite Performance Data
CKP MST Program

Month	Net P/L, %
Nov-10	-3.51
Dec-10	6.08
Jan-11	3.89
Return since Inception, %	6.34

Notes to Table 1:

Monthly management and incentive fees are as specified in the CKP mgt. contract
Brokerage commissions and fees are as stated in the FCM daily statement
Inception of Trading Pursuant to Program: November 1, 2010
Number of Client Accounts Traded Pursuant to Program: 42
Total Assets in Program at Inception: $7.884 Mio.
Largest Monthly Drawdown in Program: 3.71%
Worst Peak-to-Valley Drawdown in Program, Month to Month: 3.71%

Notes to Performance Record:

"Inception of Trading Pursuant to Program" is the date CKP began following the trading strategies employed by the particular program described in this disclosure document.

"Number of Client Accounts Traded Pursuant to Program" is the total number of client accounts which CKP is and has been trading pursuant to the program described in this document.

“Total Assets in Program at Inception” is the initial capital in the client accounts at the date of inception.

"Largest Monthly % Drawdown" is the largest negative fraction obtained by dividing monthly net performance of the account by the beginning equity for that month since inception of trading the CKP MST Program.

In calculating the monthly rate of return according to GAAP rules, the monthly net profits of all accounts are added, and then divided by the sum of the net account values of the last calendar day of the previous month, expressed on a percentage basis.

The Return since Inception is the compounded return since inception.