

RISK DISCLOSURE STATEMENT

dAA



RISK DISCLOSURE STATEMENT

THE RISK OF LOSS IN TRADING COMMODITIES 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 FUTURE OR SELL A COMMODITY OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS 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 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 COMMISSIONS AND 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 BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS RISK DISCLOSURE AND COMMODITY TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT.

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 DIRECTLY WITH A FUTURES COMMISSION MERCHANT

The Daniels Ag Advisory, LLC (“DAA” or the “Advisor”) provides advice and market commentary with respect to the agricultural markets through its proprietary newsletter. From time to time, a trade recommendation is suggested to take advantage of a developing event discussed in the newsletter. DAA is a registered Commodity Trading Advisor (“CTA”) with the Commodity Futures Trading Commission (“CFTC”) but not a member of the National Futures Association (“NFA”).

PRINCIPAL

Andrew Daniels graduated with a Bachelor of Science in Management in 1981 from Tulane University in New Orleans, Louisiana.

Mr. Daniels’ experience in the commodity futures industry began in 1980 as a runner on the grain floor of the Chicago Board of Trade. He began his professional career as a grain merchandiser for Continental Grain in 1982. During this time, he gained the knowledge and formed the relationships that would permit him to move into the brokerage side of the futures business. In 1986, Mr. Daniels accepted a position with Balfour MacLaine, where he became registered as an Associated Person (“AP”), allowing him to handle customer business. After working in this capacity for Balfour MacLaine for eight months, Mr. Daniels moved to Linco Futures Group (“LFG”) due to the commercial grain hedging orientation of the firm. For the next eight years, Mr. Daniels worked as a broker doing customer business and trading for his own account. In May 1994, Mr. Daniels assumed the responsibilities of Director of Research for LFG. In June of the same year, he was made the Executive Vice President of Sales for LFG. He was registered as an AP of LFG from March 5, 1991 through April 28, 2000. While with LFG, Mr. Daniels developed a substantial brokerage business. In April of 2001, he transferred this business to Refco, L.L.C. (“Refco”), a registered FCM. Along with Mr. Glenn Swanson, Mr. Daniels operated a division of Refco known as Daniels Trading. He was registered as an AP of Refco from April 28, 2000 through November 28, 2005.

Following this, on December 2005, he moved Daniels Trading’s business to Global Asset Advisors, LLC (“GAA”), a registered Introducing Broker. He has been registered as an AP and listed as a Principal of GAA since April 21, 2004.

In addition, Mr. Daniels was a member of the Mid-America Commodity Exchange (January 1995 through August 2000) and the Minneapolis Grain Exchange (October 1994 through May 2000). Mr. Daniels was registered with the CFTC as an AP and listed as a Principal of Tower Capital Management, Inc., a CTA, from August 21, 1997 through October 31, 1999. Mr. Daniels was also registered as an AP and listed as a Principal of Daniels Portfolio Management LLC (“DPM”), a registered CPO, from April 26, 1999 through June 5, 2005. He is also currently listed as Principal of Daniel Ag Advisory LLC, a registered CTA.

PRINCIPAL RISK FACTORS

IN ADDITION TO THE RISKS INHERENT IN TRADING COMMODITY FUTURES CONTRACT PURSUANT TO RECOMMENDATIONS PROVIDED BY ADVISOR, OTHER RISK FACTORS EXIST, INCLUDING THOSE DESCRIBED BELOW, IN CONNECTION WITH A CLIENT FOLLOWING THE ADVISOR'S NEWSLETTER. PROSPECTIVE CLIENTS SHOULD CONSIDER ALL OF THE RISK FACTORS DESCRIBED BELOW AND ELSEWHERE IN THIS DOCUMENT BEFORE FOLLOWING THE ADVISOR'S NEWSLETTER.

FUTURES TRADING IS SPECULATIVE AND VOLATILE

Futures prices are highly volatile. Price movements of commodity futures contracts are influenced by, among other things, changing supply and demand relationships, weather, agriculture, trade, fiscal, monetary and exchange control programs and policies of governments, national and international political and economic events and changes in national and international interest and inflation rates, currency devaluation and evaluations and emotions of participants in the market place. In addition, Governments 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.

FUTURES TRADING IS HIGHLY LEVERAGED

The low margin deposits, normally required in commodity futures and option trading (typically between 2% and 15% of the value of the contract purchased or sold), permit an extremely high degree of leverage. Accordingly, a relative small price movement in a commodity futures contract may result in immediate and substantial profits or losses to the investor. For example, if at the time of purchase, ten percent of the price of the futures contract is deposited as margin then a ten percent decrease in the price of the futures contract would, if the contract were then closed out, result in a total loss of the margin deposit before any deduction for the trading commission. Thus, like other leveraged investments, any trade may result in losses well in excess of the amount invested.

COMMODITY FUTURES MARKETS MAY BE ILLIQUID

As stated in the risk disclosure statement at the beginning of this document, there may be times when it is difficult or impossible to liquidate a position. This can occur, for example, when the market makes a "limit move". In these circumstances, Clients could incur losses until it becomes possible to liquidate the position.

CHARGES TO A CLIENT'S ACCOUNT

A Client is obligated to pay brokerage commissions and exchange and NFA fees, regardless of whether the Client realizes profits. On average, the newsletter makes fifteen (15) recommendations during a calendar month.

STATUTORY REGULATION

In accordance with the provisions of the Commodity Exchange Act, the regulations of the CFTC and the rules of the NFA, the Advisor is registered as a CTA but is not required to be a Member of NFA. Protective measures provided under NFA rules will not be afforded to Clients.

MARGIN

Each long or short position initiated in a Client's account requires a margin deposit. The funds initially deposited by a Client will be applied to the margin requirements established by the Futures Commission Merchant ("FCM") (which must be at least equal to the margin levels established by the applicable exchange) carrying the Client's account. A margin deposit is similar to a cash performance bond that helps assure a trader's performance of the futures contract. If the market value of a Client's futures position moves to such a degree that the initial margin deposit is not sufficient to satisfy minimum maintenance requirements, the FCM carrying the Client's account will make a "margin call" to the Client for additional margin money. The margin call must be satisfied within a reasonable period of time. If the Client does not make payment of the margin call within a reasonable time, the FCM may liquidate the open position(s). In periods of high volatility, the exchanges may increase minimum margin levels. Also, the Client's FCM may elect to increase the amount of margin they require to carry futures positions for their customers even though the applicable exchange did not increase the minimum margin levels.

TRADING OF OPTIONS ON FUTURES CONTRACTS

When an option or options are purchased, the risk in holding such options is limited to the premium paid, and all commissions and fees involved with the trade, while the profit potential is unlimited with respect to call options purchased and limited to the futures price of the commodity dropping to zero with respect to the purchase of put options. When an option is shorted or written, the writer is limited in the return to the amount of the premium received less all commissions and fees charged. **The writer of the option is however at unlimited risk with respect to the call option written, and risk on the put option of the amount should the price of the futures contract drop to zero.**

CHANGES IN TRADING APPROACH

No assurance is given that the Advisor's recommendations will result in successful trading for Clients under all or any conditions. The Advisor may alter its trading approach, including, without limitation, technical analysis methods, commodity futures traded and money management principles, without prior approval by, or notice to Clients, if the Advisor determines that such change in policy is in the best interest of Clients.

POSITIONS HELD OVERNIGHT

The Advisor can potentially recommend holding positions overnight. For this reason, investors should anticipate overnight margin requirements on some positions.

FAILURE OF THE CLIENT'S FUTURES COMMISSION MERCHANT ("FCM")

Under CFTC regulations, FCMs are required to maintain a Client's assets in a segregated account. If the FCM fails to do so, the Client may be subject to a risk of loss of all of his funds on deposit with his FCM in the event of such FCM's bankruptcy. In addition, under certain circumstances, such as the inability of another Client of the FCM or the FCM itself to satisfy substantial deficiencies in such other Client's account, a Client may be subject to a risk of loss of all of his funds on deposit with his FCM, even if such funds are properly segregated. In the case of any such bankruptcy or Client loss, a Client might recover, even in respect of property specifically traceable to the Client, only a pro rata share of all property available for distribution to all of the FCM's Clients. In some cases a Client may not receive any of their funds in the event of bankruptcy.

CONFLICTS OF INTEREST

PROPRIETARY TRADING

The Advisor's Principal may trade in commodity markets for his own accounts. In this regard, he will leverage his personal accounts more aggressively than a Client's account. Also, the Advisor and/or the Advisor's Principal may use proprietary accounts to experiment with new systems and trade other programs. The Advisor and/or the Advisor's Principal may hold or initiate positions for a proprietary account that are opposite in direction to positions being recommended or held in a Client's account. The Advisor's proprietary account records will not be available for inspection by Clients.

GAA AS INTRODUCING BROKER

Clients choosing to follow the trading recommendations published by the Advisor pursuant to a letter of direction will be required to have their accounts introduced by Global Asset Advisors, LLC (“GAA”), a registered Introducing Broker. GAA will receive a portion of the commissions generated each time a trade is executed pursuant to the Advisor’s trading recommendations. The Advisor’s Principal is also a Principal of GAA. Because of this relationship, the Advisors’ Principal will receive an indirect financial benefit each time a trade is executed as a result of the Advisor’s trading recommendations. Accordingly, the Advisor has a conflict of interest resulting from an incentive to make recommendations more frequently, thus generating increased brokerage commissions. The maximum commission rate charged by GAA for the Advisor’s accounts is \$50 per round turn, plus applicable clearing fees. The Client’s selection of GAA as the Introducing Broker may be to the Client’s detriment.

NEW CLIENTS

Clients choosing to follow the trade recommendations published by the Advisor are expected to only follow new trade recommendations issued after the date of their participation. If a Client wishes to enter into current position existing as a result of a previous trading recommendation, they must place those trades using their own market knowledge and accept the risk of placing such trades. Existing open trade recommendations may have positive or negative open trade equity and are based on previous market information that may no longer be applicable. Clients placing trades based on positions existing as a result of previous trading recommendations may have less favorable results than Clients initiating positions as the Advisor’s trading recommendations are published. Therefore, new Clients should carefully consider the potential positive and negative aspects of placing trades to “catch-up” with existing positions resulting from the Advisor’s previous trading recommendations.

ACKNOWLEDGEMENT OF RECEIPT OF DOCUMENT

The undersigned acknowledges that it or he/she has read and understands the foregoing Risk Disclosure Statement for Daniels Ag Advisory, LLC, and agrees to all the terms and conditions thereof, has carefully considered the matters disclosed therein in determining whether to open a commodity trading account in order to follow recommendations made by Daniels Ag Advisory, LLC and, with regard to a non-individual client, has the full power and authority to execute this acknowledgement on behalf of the client.

Client Name

Signature

Date