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Roger M. Pearlman CTA

COMMODITY TRADING ADVISOR
DISCLOSURE DOCUMENT
January 1 '10

THE COMMODITY FUTURES TRADING COMMISSION HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN THIS TRADING PROGRAM NOR HAS THE COMMISSION PASSED ON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.

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 "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.

"SPREAD" POSITIONS 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 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 8, 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 MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGE 5.

THIS COMMODITY TRADING ADVISOR IS PROHIBITED BY LAW FROM ACCEPTING FUNDS IN THE TRADING ADVISOR'S NAME FROM A CLIENT FOR COMMODITY TRADING INTERESTS. YOU MUST PLACE ALL FUNDS FOR TRADING IN THIS TRADING PROGRAM WITH A FUTURES COMMISSION MERCHANT.

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Introduction:

Pearlman CTA, office, books and records address: 23205 Marigold Ave. Tehachapi CA. 93561 Phone 310-948-5137. First intended use by CTA of this document to be upon receipt of NFA acceptance letter some time after January 15 '10.

Principal: Roger M. Pearlman is the sole principal DBA Pearlman CTA. The CTA firm was organized as a sole proprietorship November 13, 1986. At first the DBA was Providence Trading Company then gradually became known as Pearlman CTA.

Employment History: During the past 5 years advisor has not been an employee of any other but self employed. Asset management and investment advice has been the main function.

Business Background:

As part of the Northeastern U. co-op education In August 1978 Roger M. Pearlman (RMP) completed a total of 9 months implementing computerized accounting systems for the Navy Accounting and Finance Center located in Arlington VA. In December 1979 a 6 month co-op assignment involved with auditing was completed for the CPA firm Estabrook & Company in Winchester, MA.

In June 1980 RMP Graduated from the College of Business Administration, Northeastern U., Boston MA. with high honors. From June until December 1980 RMP did part time tax work for Boston area CPA firm Zubar & Company and did proprietary trading of stocks and options.

In December 1980 RMP left the CPA tract to devote full time to investments. Starting the following month in January 1981 till August 2004 RMP was managing investing in stocks, options, real estate, bonds and futures. The primary client of RMP over this period was related Taft Investors Co. based in Providence RI. In July 1981 RMP registered as an investment adviser before the SEC DBA Sterling Consultants. During March 1991 until May 1994 RMP traded fully discretionary managed futures accounts. That time was split working between Providence and NYC, NY.

While residing in NYC part time work was done first at Chemical bank from January till December 1992 doing SWAP derivative accounting, then from January till December 1993 for MetLife insurance and mutual fund company doing estate planning and sales. During the same period from Jan. 1992 till Dec. 1993 part time futures trading was conducted by the registered FCM Vision LP.

Since 11/13/86 the advisor was and remains a registered CTA and firm principal with the Commodity Trading Futures Commission (CFTC). National Futures Association (NFA) membership while registered with the CFTC as a Commodity Trading Advisor (CTA) and firm principal was maintained from 11/13/86 and withdrawn 1/12/95 before reinstatement 1/02/96 until 1/29/97. CFTC registration as a Commodity Pool Operator (CPO) was also obtained 11/13/86 for one year till 11/30/87, but use was never made of that CPO registration. NFA membership while registered as an Associated Person (AP) was maintained from 3/12/03 and ended 8/31/04. The AP sponsor was American National Trading Company an IB located at 1880 Century Park East, Los Angeles CA. Renewed NFA membership as a CTA and firm principal was effective 10/15/04.

RMP has experience trading CBOT Grains and CBOT Treasury Bonds and Notes, COMEX Metals, ICE Sugar and Cotton, NYMEX Energy, CME Equity Index amongst other derivative products that may be utilized in the offered trading programs described on page 6. In Providence due to business and family commitments RMP refrained from managing discretionary accounts for others. An important consideration for moving to California was to develop a premiere CTA firm. There are currently three fully discretionary managed client accounts, not including any others pending. See pages 11-19 for performance disclosure details.

Futures Commission Merchant (FCM): Clients are free to choose the FCM where account maintained.

The Introducing Broker (IB): Clients are free to choose which if any IB will be used.

FCM and IB service, requirements, commissions and other costs may vary greatly from firm to firm and even intra firm. Commissions are set by FCM or IB. Pearlman CTA performance results Pages 11-19 are from accounts that pay/paid their FCM/IB from \$2 to \$10 a side. Commissions vary by broker and may be set higher, lower, or in this range. All else being equal commission rates will effect results. Pearlman CTA does not receive any part of the commission.

Principal Risk Factors

In addition to the risks inherent in trading commodity interests pursuant to instructions already provided herein by Pearlman CTA there exist additional risk factors, including those described below, in connection with a customer participating in the Managed Account 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 Pearlman CTA and no assurance can be given that Pearlman CTA's advice will result in profitable trades for a participating customer or that a customer will not incur substantial losses.

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 purchase or sold) 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, 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 Pearlman CTA, 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 Pearlman CTA from promptly liquidating unfavorable positions and subject a participating customer to substantial losses that could exceed the margin initially committed to such trades.

Participating customer's FCM may fail. Under CFTC regulations, FCM's 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 its 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's 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.

The Trading Program:

Based on perceived market conditions and account position the advisor will consider from amongst these and other markets to trade primarily: CBOT Grains, CBOT Treasury Bonds and Notes, COMEX Metals, ICE Foods and Fiber, Globex Equity Index, and or NYM Energy. The advisor uses a fully discretionary approach. This advisor has found that one of the great benefits of remaining a 100% discretionary trader amongst the many systematic trend following programs is his ability to recognize and take advantage of very present market opportunities and exaggerated conditions. Perceived value will usually be based on intra market relationships, fundamentals, various indicators and the advisor's experience trading futures. The advisor believes the bull market in commodity prices, drop in the dollar, and rise in interest rates will continue sporadically. If correct a well positioned managed futures account can do well. The objective is to build a position with potential for large profit compared to risk in an attempt to maximize account growth over the long term. We recommend clients be ready to maintain an account for a few years and be able to cope with higher volatility then may result from some other market strategies.

Withdrawals can be made at any time. Large withdrawals may increase risk level and hamper results. Please give as much advance notice as possible of intention to withdraw amounts over 1% of liquidation value a month. 'Pearlman CTA' programs are a balance of commodity and financial futures. We attempt to position to benefit from grain, metals, energy, meat, food, fiber, interest rate, currency, equity, commodity and financial futures markets, pricing.

There are three brackets of account size:

"Silver" \$30,000 to \$2,000,000 positions in futures markets.

"Gold" to \$2,000,000 to \$10,000,000 uses futures and options markets.

"Ruby" from \$10,000,000 cash and physical markets may also be used.

Automatically graduate from bracket to bracket with account growth.

Starting January '9 There are two risk tolerance levels: Non Leveraged and Aggressive.

'Aggressive' is comparable to and continues the Silver 'Conservative' program just using a different name. Suggested funding levels and margin usage may fluctuate based on performance and changing market conditions. Includes all but 'non leveraged' accounts. Smaller accounts may focus on as few as one or two markets to start and may not be able to scale positions up or down like larger accounts. Has significantly higher margin to value ratio, greater volatility and risk then the Pearlman CTA 'non leveraged' tolerance level program. The higher the funded amount the greater the ability to balance and scale positions without being forced out on draw downs. Currently we suggest starting with at least \$100,000. A risk management recommendation is clients fund aggressive accounts with just one third of the amount of risk capital they were comfortable with designating for this program. Then have ready on short notice the other two thirds to back up positions if and when significant future draw downs. \$30,000 minimum.

'Non Leveraged' takes underlying contract values into account when positioning. This level uses significantly less leverage then the 'Aggressive' risk tolerance level. Suggested minimum \$500,000.

Silver 'Non Leveraged' is the same as the old silver 'Non Leveraged'.

While no Silver 'Non Leveraged' accounts are currently being managed, the program remains open for new or reinstated accounts.

The old Gold 'Conservative' is the same as the new Gold 'Aggressive'. The short period of old Gold 'Conservative' actual performance does not reflect the program's volatility risk. The new Gold 'Non Leveraged' will use significantly less leverage then Gold 'Aggressive'.

Unless marked and funded as 'Non Leveraged' all Silver accounts are considered to be 'Aggressive'.

All Gold and Ruby accounts are to be considered 'Non Leveraged' unless otherwise agreed in writing.

Trades may depend on market conditions, account liquidity, risk management, technical indicators, hedge and other considerations. The advisor expects to trade commodity and financial futures of US regulated exchanges.

All financial and commodity futures and options may be traded without restrictions or limitations on advisor.

Block and Offsetting trades if any will be go by policy of FCM selected. Firm reserves the right to trade or to cease trading any markets or account at any time.

Notional Funding Policy:

There is no notional funding for Silver Program accounts except in special situations such as additional funding expected soon. The sum of 'actual' funds deposited with the FCM plus 'notional' funding is the 'nominal' account size. The level of trading will be based on the nominal account size. Margin calls may require client to fund their account beyond the actual funds deposited therein. Such accounts will be traded by CTA with a degree of leverage that exceeds even the high level used based solely on actual funds. Account will be higher risk because of the greater losses as measured by a percentage of assets actually deposited in the account than in an account of like nominal size with no notional funding with the same positions. Account will experience greater volatility, as measured by rates of return achieved in relation to assets actually deposited in the account, than an account of like nominal size with no notional funding with the same positions. Account will pay higher brokerage commissions, as measured by the percentage of such commission in relation to assets actually deposited in the account, than an account of like nominal size with no notional funding with the same positions. Cross funding is where FCM allows a trading level based on reserves in a master account even when no actual funds are in specific designated account. In such accounts the initial funding level and any increase in funding level are to be considered actual funding.

Otherwise when nominal account size is different than actual account size the account is considered to have notional funding. The notional funding amount is not affected by additions or withdrawals, payment of CTA profit incentive fee, profit, or loss. The notional amount is the difference between the actual funds deposited and the nominal account size adjusted for any withdrawals, incentive fee, profit or loss. Notional funding can also include trading level.

The starting nominal account size will be used to calculate performance fees using this formula: $(\text{nominal account size} / \text{actual funds}) * n = a$ "n" being the % fee based on the nominal account size and "a" is the percentage based on actual funds. For example a 2% fee is equivalent to 4% of actual funds on an account that is 50% funded. Partial funding increases the fees and commissions as a percentage of actual funds but does not increase the dollar amount of those fees.

Partial funding increases the account leverage. Increased leverage usually increases account volatility. More leverage can increase the rate of return when positions move in favor of the account and magnify draw downs when positions lose value. Partial funding has the advantage of tying up less of the client capital. Partial funding leaves an account less excess in regard to margin requirements. The effect on margin and leverage can cause more frequent choices of depositing additional capital or offsetting positions to meet margin requirements.

Example: \$100,000 account no notional funding vs with 50% notional funding:

with \$10,000 increase in account value: = 10% ROR with no notional funding, 20 % ROR for account with notional funding.

with \$10,000 decrease in account value: = -10% ROR with no notional funding, - 20% ROR for account with notional funding.

Fees:

Management fee: 0-2% of month end account value, plus any notional funding, adjusted for withdrawals.

Month end account value to be defined as the mark to market month end value as shown on month end FCM statement plus any withdrawals made during the month.

Incentive fee: 20% - 30% percent of new net profits. New profits to be defined as (1) gross realized profit and loss during the period plus (2) the change in net unrealized profit and loss on open positions as of the end of the period, minus (1) all brokerage commissions and transaction fees and charges paid or accrued during the period, except any prior CTA incentive, and management, if applicable, fees and (2) cumulative net loss, if any, carried over from other periods. The carryover of previous loss makes certain that incentive fees are paid only on the cumulative increases in the net gains of an account. It should be noted that the full loss is not carried over the next month in an instance where there has been a partial withdrawal of funds. In such a case, the portion of the loss attributable to the withdrawn amount is first subtracted from the carryover loss. In addition, if an account does not have New Net Trading Profits in a given month, no incentive fee will be due to the Advisor unless and until the account experiences New Net Trading Profits in a subsequent month. The amount of the incentive fee due to the Advisor, if any, will be determined independently with respect to each month, and the amount of any such fee paid will not be affected by subsequent losses experienced in a participating customer's account. New net high value being any excess over prior high ending value less accrued CTA fee for that prior period, is how we will determine if and amount of new high profits in subsequent period, adjusted for additions and withdrawals.

Fee amount and terms are negotiable. Unless otherwise agreed any incentive fees will be due monthly and any management fees quarterly.

Where management fee applicable, CTA reserves the right to bill monthly, quarterly, semi annually or annually, or wait for a month with a new high profit, unless otherwise specified in client account forms. The fee accrues to the last month of the cycle billed for. This should not have a material impact on performance record, does not force taking money from an account that may be on a draw down, and reduces paperwork as CTA will not have to send monthly invoices just for the management fee.

Client authorizes FCM to pay CTA monthly incentive and management fees based on rates agreed in client agreement. In the event of a withdrawal other than as of a month-end, any incentive and management fees with respect to such redeemed assets will be paid to Pearlman CTA as if such date of withdrawal were a month-end. Client agrees to pay any balance not paid by FCM.

CTA may share fee with IB/FCM and or those licensed who introduce account. While this does not apply to any open accounts it may apply to any future accounts. Terms will be whatever is mutually agreeable between the CTA and IB/FCM and will be disclosed as required in subsequent disclosure documents.

Conflicts of Interest: Advisor trading own account may cause conflict of interest. No other known conflict exists.

Trading for Own Account: The advisor may trade own accounts without limitation. Statements thereof will be kept confidential. Various account positions may be altogether differ from one another and not violate fiduciary duties due to open date, position, liquidity, and objective.

Material Information: Futures are a zero sum market. They can be used to hedge risk and speculate. They can be a vehicle to protect, and if blessed amass, wealth. While this advisor will try best to direct funds to good fortune no promise of success, or other representation exists. Use only long term risk capital. It is the clients responsibility to direct the CTA in writing when position size, risk, and margin usage, is beyond an acceptable level. After such notice CTA may discuss with client, pare and or close positions. We suggest clients that can not deal with an occasional large draw down only consider the 'non leveraged' risk tolerance level. To not be forced out on the occasional large draw down for a loss 'aggressive' risk tolerance level clients should be ready to commit additional funding of up to two times the initial funding level on short notice. Otherwise we suggest the 'non leveraged' risk tolerance level funded with \$500,000 or more.

Supplemental Information: Margin requirements are the greater of exchange and FCM minimum. CTA may use exchange minimum maintenance margins for risk management considerations. Withdrawals can be at any time with formal notice or verbal consent. These programs attempt position for maximum appreciation relative to risk over the long term. So we suggest withdrawals be limited to 1% a month of liquidation value. Account volatility can be great. Those who may pull out after a certain fixed draw down may not be suited for the program. So if client has a set draw down tolerance from funding level or new high value based on year end, quarter end, month end, day end or intraday, discuss before investing. Discussing in no way annuls any part of this risk disclosure. The minimum accepted account size and services provided may vary by FCM/IB. CTA may customize program based on individual client needs.

Some factors that can cause results to materially vary from account to account are:

Market prices and conditions dates account opened, positioned, and dates of changes in funding levels. Platform, broker and or exchange orders entered on.

Type of order entered.

Error in CTA judgment, order entry, or order execution, that may result in a gain or loss.

Currency conversion rates as some accounts may be held in other then USD.

Account trading level, size, and risk management considerations.

The greater the asset value of an account compared to another account with the exact same positions the less the percentage volatility up and down.

CTA fee and commission rate variance.

Random execution fill price variance.

So any composite of program monthly performance should not be relied on to represent how individual accounts performed.

Assets under management (AUM) to include all accounts, in all programs, including notional funding.

Litigation: There has been no material administrative, civil, or criminal action against Advisor within 5 years. Five years is also the maximum time frame of past performance disclosure allowed.

PRIVACY STATEMENT:

Pursuant to the Commodity Futures Trading Commissions new rules, financial institutions like Pearlman CTA are required to provide privacy notices to their clients. We at Pearlman CTA consider privacy to be fundamental to our relationship with our clients. We are committed to maintaining the confidentiality, integrity and security of our current and former clients' non-public information. Accordingly, we have developed internal polices to protect confidentiality while allowing clients' needs to be met.

We will not disclose any non-public personal information about clients, except to our affiliates and service providers as allowed by applicable law or regulation. In the normal course of serving our clients, information we collect may be shared with companies that perform various services such as our accountants, auditors and attorneys. Specifically, we may disclose these service providers non-public personal information including:

- Information Pearlman CTA receives from clients on managed account agreements and related forms (such as name, address, Social Security/Tax identification number, birth date, assets, income and investment experience); and
- Information about clients' transactions with Pearlman CTA (such as account activity and account balances).

Any party that receives this information will use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use this information for any other purpose. To protect the personal information of individuals, we permit access only by authorized employees who need access to that information to provide services to our clients and us. In order to guard clients' non-public personal information, we maintain physical, electronic and procedural safeguards that comply with the U.S. federal standards. If the relationship between a client and Pearlman CTA ends, Pearlman CTA will continue to treat clients' personal information as described in this notice. An individual client's right to privacy extends to all forms of contact with Pearlman CTA, including telephone, written correspondence and electronic media, such as email messages via the Internet.

Pearlman CTA reserves the right to change this privacy notice, and to apply changes to information previously collected, as permitted by law. Pearlman CTA will inform clients of any such changes as required by law.

Send any questions regarding this Privacy Statement to: info@pearlmancta.com

Pearlman CTA 23205 Marigold Ave. Tehachapi Ca. 93561 Phone: 310-948-5137

Performance Notes:

All related fully discretionary clients have been deemed proprietary by the NFA. It has been the policy of Pearlman CTA to not disclose proprietary accounts in the Disclosure Document regardless of return.

Where the FCM allows a trading level based on reserves in a master account even when no actual funds are in the specific designated Pearlman CTA managed account, it is considered actual funding. By having open positions whose margin requirement exceeds prior funding level, defacto such accounts automatically increase actual funding level to a minimum of the month end initial margin requirement.

Silver Program past trading results are disclosed on three separate tables. One for Aggressive, Non Leveraged, and Growth programs. The reason for this is the material difference in performance between the three programs. The growth and aggressive program have larger proportional positions then the non leveraged program. The growth program has larger proportional positions then the aggressive program. Some other reasons for material differences in performance between the three programs and within each program are account: starting, addition, withdrawal, and closure, dates. Account size, risk management and margin considerations, client needs, and notional funding where applicable are additional factors.

Our largest silver draw downs were around August – Dec. '08. More recently June – Sept. '09 was a large draw down.

On December 16th '09 all positions were closed due to client need. Fully discretionary trading could resume at any time.

So rather than avoid positions for the sake of low volatility, we hope to reduce the probability accounts will close at a loss during periodic draw downs, by funding aggressive accounts with one third of funds client would be comfortable risking in the program. The other two thirds should be ready if and when needed. Clients who are not going to want to back up positions after any significant draw down on initial funding are better suited for the lower volatility non leveraged program.

We believe our approach works best for patient clients of means, able to bear periodic draw downs, using long term risk capital. We believe the Pearlman CTA 'aggressive' and 'non leveraged' tolerance levels use reasonable leverage based on the potential reward relative to risk.

Growth risk tolerance level: As of Dec 31' 08 we have discontinued offering the 'Growth' risk tolerance option that made use of notional funding for some of the risk factors discussed on page 7. July '06 was the last month such an account was traded.

Copper program: We had to start small, risking \$10,000 with any chance of success. The Copper Program was closed in '05 due to the difficulty to diversify, balance and hedge accounts of \$10,000 and when we were able to open larger accounts. Copper Program trading results are disclosed on two separate tables. The reason for this is the material difference in performance between the two accounts. Reasons for the difference were the different starting account dates and account 2 included notional funding. Price movements in even one contract can cause a \$10,000 account to go up or down a significant percentage. For this reason we now have four risk tolerance levels with higher funding levels. Silver, Gold and Ruby Programs currently offered by Pearlman CTA have the potential to better position, diversify, and hedge, your account then the Copper Program had.

Performance Disclosures:

Pearlman CTA Managed Futures Programs Required Performance Disclosures:

Name of CTA: Roger M. Pearlman

Name of Trading Program: Silver Aggressive \$30,000 Minimum

Inception of Trading by CTA: 03/29/05

Inception of Trading in the Offered Program: 11/02/05

Number of Accounts Currently Traded Pursuant to the Program as of 1/1/10: 0

Total Nominal Assets under management as of 1/1/10: \$0(Actual), \$0 (Notional).

Total Nominal Assets Traded Pursuant to the Program as of 1/1/10 \$0(Actual), \$0 (Notional).

Largest monthly draw down: 52.26%

largest monthly draw down occurred in 11/08

Worst Peak-to-Valley draw down: 86.56%

Time period worst peak to valley: 12/07 through 09/09

Number of Profitable Accounts Opened and Closed in the Last Five Years & Year-to-Date: 1

Range of Returns Experienced by Profitable Accounts Closed: One Account +54.20%

Number of Unprofitable Accounts Opened and Closed in Last Five Years and Year-to-Date:16

Range of Returns Experienced by Unprofitable Accounts Closed: -8.70% to -50.61%

Past performance is not necessarily indicative of future results.

Month Ending	Rate of Return	VAMI
October '5	0.00%	1000
November	0.07%	1001
December	8.50%	1086
<u>YTD '05</u>	8.60%	
January '06	0.50%	1091
February	39.30%	1520
March	1.37%	1541
April	-30.91%	1065
May	-19.34%	859
June	7.66%	924
July	-3.64%	891
August	-25.04	668
Sept	6.24%	709
October	74.56%	1238
Nov	-8.55	1132
Dec	42.07%	1609
<u>YTD '06</u>	48.18%	
January '07	26.75%	2039
Feb	-2.57%	1987
March	8.99%	2166
April	-15.07%	1839
May	28.26%	2359
June	23.45%	2912
July	1.72	2962
August	11.03	3289
September	13.49	3733
October	-2.08	3655
Novemeber	-9.73	3299
December	22.31	4035
<u>YE '07</u>	150.81%	
January '08	-30.21	2816
Feb	-11.33	2497
March	0.01	2500
April	9.18	2730
May	15.84	3162
June	4.30	3298
July	14.94	3791
August	-2.70	3688
September	-2.44	3598
October	-23.05	2769
November	-52.26	1322
December	-32.30	895
<u>YTD '08</u>	-77.92%	

January '09	24.73	1116
Feb	-35.17	724
March	-0.69	719
April	84.83	1329
May	44.74	1924
June	-35.84	1234
July	-12.85	1218
August	-33.83	806
September	-22.74	623
October	52.43	950
November	-22.28	738
December	53.04	1129
<u>YTD '09</u>	11.34%	

Silver Aggressive Performance continued from prior page.

Past performance is not necessarily indicative of future results.

Additional performance disclosures:

VAMI for month = $(1 + \text{rate of return for month}) \times 1000$, for subsequent months replace 1000 with VAMI of prior month.

ROR = net performance divided by BNAV for the period.

Draw Down is a loss experienced by a trading program over the specified period.

CTA fees are accrued to period earned.

CTA Incentive fee = Percent of new profits as defined on page 8.

CTA management fee included on applicable accounts as disclosed on page 8.

End Silver Aggressive Performance.

Name of CTA: Roger M. Pearlman
 Name of Trading Program: Gold Conservative \$2,00,000 Minimum.
 Inception of Trading by CTA: 03/29/05
 Inception of Trading in the Offered Program: 4/05/07
 Number of Accounts Currently Traded Pursuant to the Program as of 7/1/09: 0 (see note 1)
 Total Nominal Assets under management as of 1/1/10: \$0 (Actual), \$0 (Notional).
 Total Nominal Assets Traded Pursuant to the Program: as of 7/1/09: 0
 Largest monthly draw down: 0%
 largest monthly draw down occurred in: NA
 Worst Peak-to-Valley draw down: NA
 Time period worst peak to valley: NA
 Number of Profitable Accounts That Have Opened and Closed in the Last Five Years and
 Year-to-Date: 1
 Range of Returns Experienced by Profitable Accounts Closed: +.51%
 Number of Unprofitable Accounts That Have Opened and Closed in Last Five Years and
 Year-to-Date: 0
 Range of Returns Experienced by Unprofitable Accounts Closed: NA

Past performance is not necessarily indicative of future results.

Month Ending	Rate of Return	VAMI
March	0.00%	1000
April	0.51%	1005
May	0.00%	1005
June	0.00%	1005
July	0.00%	1005
<u>YE '7</u>	0.51%	

Past performance is not necessarily indicative of future results.

Additional performance disclosures:

VAMI for month = $(1 + \text{rate of return for month}) \times 1000$, for subsequent months replace 1000 with VAMI of prior month.

ROR = net performance divided by BNAV for the period.

Draw Down is a loss experienced by a trading program over the specified period.

CTA fees are accrued to period earned.

Note 1: Conservative gold funding level trading program was on hold from mid April '07 pending client authorization to resume trading until deemed closed end July '07.

Name of CTA: Roger M. Pearlman
 Name of Trading Program: Silver Non Leveraged (OPEN) \$500,000 Minimum.
 Inception of Trading by CTA: 03/29/05
 Inception of Trading in the Offered Program: 1/10/06
 Number of Accounts Currently Traded Pursuant to the Program as of 7/1/09: 0
 Total Nominal Assets under management as of 1/1/10: \$0 (Actual), \$0 (Notional).
 Total Nominal Assets Traded Pursuant to the Program as of 7/1/09: \$0.
 Largest monthly draw down: -27.15%.
 largest monthly draw down occurred in 4/06
 Worst Peak-to-Valley draw down: -32.13%
 Time period worst peak to valley: 3/06 to 6/06
 Number of Profitable Accounts That Have Opened and Closed in Last Five Years and Year-to-Date: 0
 Range of Returns Experienced by Profitable Accounts: NA
 Number of Unprofitable Accounts That Have Opened and Closed in Last Five Years and Year-to-Date: 1
 Range of Returns Experienced by Unprofitable Accounts Closed: -25.00%

Past performance is not necessarily indicative of future results.

Month Ending	Rate of Return	VAMI
December '5	0.00%	1000
January '6	3.24%	1032
February	7.07%	1105
March	-4.67%	1053
April	-27.15%	767
May	0.48%	771
June '6	-2.77%	750
<u>YE '6</u>	-25.00%	

Past performance is not necessarily indicative of future results.

Additional performance disclosures:

VAMI for month = (1 + rate of return for month) x 1000, for subsequent months replace 1000 with VAMI of prior month.

ROR = net performance divided by BNAV for the period.

Draw Down is a loss experienced by a trading program over the specified period.

CTA fees are accrued to period earned.

CTA Incentive fee = Percent of new profits as defined on page 8. There has been no management fee.

Name of CTA: Roger M. Pearlman
 Name of Trading Program: Silver Growth (closed) \$200,000 Minimum.
 Inception of Trading by CTA: 03/29/05
 Inception of Trading in the Offered Program: 3/06/06
 Number of Accounts Currently Traded Pursuant to the Program as of 7/1/09: 0(see note 1)
 Total Nominal Assets under management as of 1/1/10: \$0 (Actual), \$0 (Notional).
 Total Nominal Assets Traded Pursuant to the Program as of 7/1/09: 0
 Largest monthly draw down: -32.66
 Largest monthly draw down occurred in 4/06
 Worst Peak-to-Valley draw down: -32.66
 Time frame worst peak to valley: 3/06 to 4/06
 Number of Profitable Accounts That Have Opened and Closed in the Last Five Years and Year-to-Date: 0
 Range of Returns Experienced by Profitable Accounts: NA
 Number of Unprofitable Accounts That Have Opened and Closed in Last Five Years and Year-to-Date: 1
 Range of Returns Experienced by Unprofitable Accounts closed: -30.40

Past performance is not necessarily indicative of future results.

Month Ending	Rate of Return	VAMI
March '06	0.00%	1000
April	-32.66%	673
May	17.27%	789
June	-1.64%	776
July	-10.32%	696
August	0.00%	696
Sept	0.00%	696
October	0.00%	696
Nov	0.00%	696
Dec	0.00%	696
<u>YE '06</u>	-30.40	
January '07	0.00%	696
Feb	0.00%	696
March	0.00%	696
April	0.00%	696
May	0.00%	696
June	0.00%	696
July	0.00%	696
<u>YE '07</u>	0.00%	

Past performance is not necessarily indicative of future results.

Additional performance disclosures:

VAMI for month = $(1 + \text{rate of return for month}) \times 1000$, for subsequent months replace 1000 with VAMI of prior month.

ROR = net performance divided by BNAV for the period.

Draw Down is a loss experienced by a trading program over the specified period.

Note 1: Silver growth program account trading was on hold from July '06 pending client posting additional actual funding until Month end July '07 when deemed closed.

Name of CTA: Roger M. Pearlman
 Name of Trading Program: Copper (Closed) Account #1 \$10,000
 Inception of Trading by CTA: 3/29/05
 Inception of Trading in the Offered Program: 3/29/05
 Number of Accounts Currently Traded Pursuant to the Program as of 7/1/09: 0
 Total Nominal Assets under management as of 1/1/10: \$0 (Actual), \$0 (Notional).
 Total Nominal Assets Traded Pursuant to the Program as of 7/1/09: \$0.
 Largest monthly draw down: -83.71%. August '05
 Worst Peak-to-Valley draw down: -97.50% March '05 through October '05
 Number of Profitable Accounts That Have Opened and Closed in Last Five Years and Year-to-Date: 0
 Range of Returns Experienced by Profitable Account/s: NA
 Number of Unprofitable Accounts That Have Opened and Closed in Last Five Years and Year-to-Date: 1
 Range of Returns Experienced by Unprofitable Account: -97.50%

Past performance is not necessarily indicative of future results.

Account 1 ('05)	Rate Of Return	VAMI
Feb	0.00	1000
Mar	-12.57	874
April	-62.23	330
May	21.88	402
June	-32.18	273
July	164.02	721
Aug	-83.71	117
Sept	-53.93	54
Oct	-54.35	25
<u>YE '05</u>	-97.50	

Past performance is not necessarily indicative of future results.

Additional performance disclosures:

There was no CTA or management fee charged to the Copper program.

Copper program closed as difficult to diversify, balance and hedge accounts of \$10,000.

Draw Down is a loss experienced by the trading program over the specified period.

VAMI for month = $(1 + \text{rate of return for month}) \times 1000$, for subsequent months replace 1000 with VAMI of prior month.

ROR = net performance divided by BNAV for the period.

Name of CTA: Roger M. Pearlman
 Name of Trading Program: Copper (Closed) Account #2 \$10,000
 Inception of Trading by CTA: 3/29/05
 Inception of Trading in the Offered Program 4/27/05
 Number of Accounts Currently Traded Pursuant to the Program as of 7/1/09: 0
 Total Nominal Assets under management as of 1/1/10: \$0 (Actual), \$0 (Notional).
 Total Nominal Assets Traded Pursuant to the Program as of 7/1/09: 0
 Largest monthly draw down: -17.30%. June '05
 Worst Peak-to-Valley draw down:-32.50%. April '05 through June '05
 Number of Profitable Accounts That Have Opened and Closed in the Last Five Years and Year-to-Date: 0
 Range of Returns Experienced by Profitable Account/s: NA
 Number of Unprofitable Accounts That Have Opened and Closed in Last Five Years and Year-to-Date: 1
 Range of Returns Experienced by Unprofitable Account: -32.50%

Past performance is not necessarily indicative of future results.

Account 2 ('05)	Rate of Return	VAMI
March	0.00%	1000
April	-4.19%	958
May	-14.82%	816
June	-17.30%	675
<u>YE '05</u>	-32.50%	

Additional performance disclosures:

There was no CTA or management fee applicable for copper program.

Copper program closed as difficult to diversify, balance and hedge accounts of \$10,000.

VAMI for month = (1 + rate of return for month) x 1000, for subsequent months replace 1000 with VAMI of prior month.

ROR = net performance divided by BNAV for the period.

Draw Down is a loss experienced by the trading program over the specified period.

Proprietary Accounts: Not included are personal or fully discretionary related client accounts.

Past performance is not necessarily indicative of future results.

Trading futures is not suitable for everyone.

Pearlman CTA

Disclosure Receipt Acknowledgement and Fee Payment Authorization

(This short form NA if you have completed Pearlman CTA long form.)

The undersigned client(s) ("Client") hereby acknowledges receipt of a copy of the Trading Program and Risk Disclosure document, dated January 1, '10 of Pearlman CTA. Client has read and understands the document and has carefully considered the risks outlined therein.

Client authorizes payment of CTA fees described therein of:

_____ % Performance plus if applicable _____ % Management.

Client authorizes FCM/IB to provide Pearlman CTA a copy of account application or will complete the long form Pearlman CTA new account application.

Client's Name (Please Print)

Client's Signature

Date

If a joint account:

Second Client's Name (Please Print)

Second Client's Signature

Date

Complete and return with a copy of drivers license for proof of ID to Pearlman CTA.

Memo: info@pearlmancta.com ,

Fax: 661-822-8190,

or

Mail: 23205 Marigold Ave. Tehachapi Ca. 93561-8081. Phone 310-948-5137