



**S.A.F.E. Management LLC**

745 Hope Road Eatontown NJ 07724  
SAFEadvglobal.com

# Commodity Trading Advisor Disclosure Brochure

*Effective December 28, 2018*

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.



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No person is authorized by SAFE Management, LLC to give any information or to make any representation not contained in this disclosure document. If given or made, such information or representation must not be relied upon as having been authorized by SAFE Management, LLC.

SAFE became registered as a Commodity Trading Advisor ("CTA") with the Commodity Futures Trading Commission ("CFTC") and an approved National Futures Association ("NFA") Member firm on 7/31/2018, NFA ID# 0439010. SAFE is also a Registered Investment Advisor with the U.S. Securities and Exchange Commission.



## 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 11, 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 18.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY TRADING ADVISOR MAY ENGAGE IN OFF- EXCHANGE FOREIGN CURRENCY TRADING. SUCH TRADING IS NOT CONDUCTED IN THE INTERBANK MARKET. THE FUNDS DEPOSITED WITH A COUNTERPARTY FOR SUCH TRANSACTIONS WILL NOT RECEIVE THE SAME PROTECTIONS AS FUNDS USED TO MARGIN OR GUARANTEE EXCHANGE-TRADED FUTURES AND OPTION 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 BE TREATED AS A COMMODITY CUSTOMER CLAIM FOR PURPOSES OF SUBCHAPTER IV OF CHAPTER 7 OF THE BANKRUPTCY CODE AND REGULATIONS THEREUNDER. YOU MAY BE A GENERAL CREDITOR AND YOUR CLAIM MAY BE PAID, ALONG WITH THE CLAIMS OF OTHER GENERAL CREDITORS, FROM ANY MONIES STILL AVAILABLE AFTER PRIORITY CLAIMS ARE PAID. EVEN FUNDS THAT THE COUNTERPARTY KEEPS



SEPARATE FROM ITS OWN FUNDS MAY NOT BE SAFE FROM THE CLAIMS OF PRIORITY AND OTHER GENERAL CREDITORS.

FURTHER, YOU SHOULD CAREFULLY REVIEW THE INFORMATION CONTAINED IN THE RISK DISCLOSURE STATEMENT OF THE FUTURES COMMISSION MERCHANT OR RETAIL FOREIGN EXCHANGE DEALER THAT YOU SELECT TO CARRY YOUR ACCOUNT.

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.



## Table of Contents

Item 1: Cover page.....	1
Item 2: Risk Disclosure Statement.....	2
Item 3: Table of Contents .....	5
1: Business Background of the CTA.....	7
2: Business Background of the Principle.....	8
3. The Forex Global Strategy.....	10
4. Objective of the Strategy .....	10
5. Risk   Money Management.....	11
6. Fees and Commissions.....	11
7. Litigation .....	12
8. Personal Trading.....	13
9. Differences Between Bid and Ask Prices .....	13
10. Account Structure.....	14
11. Principal Risk Factors .....	18
12. Conflicts of Interest.....	23
13. Trading Capacity.....	24
14. Added Disclosures.....	24
15. Indemnification .....	25



16. Performance Records Disclosure..... 25

Client Acknowledgement of Disclosure Document ..... 27

17. Opening an Account ..... 28



## 1: Business Background of the CTA

SAFE Management LLC (“SAFE” or “Advisor”) a New Jersey Limited Liability Company, is a wholly owned subsidiary of Investview, Inc., a publicly traded company listed with the symbol OTCQB: INVU.

SAFE was founded on March 30<sup>th</sup>, 2006 and became a New Jersey Registered Investment Advisor (RIA) in November of 2006 and was re-registered on June 15<sup>th</sup>, 2018. SAFE became registered as a Commodity Trading Advisor (“CTA”) and Commodity Pool Operator with the Commodity Futures Trading Commission (“CFTC”) on July 31, 2018. SAFE became an approved National Futures Association (“NFA”) Member firm on August 16, 2018, NFA ID# 0439010. SAFE is also a Registered Investment Advisor (“RIA”) with the U.S. Securities and Exchange Commission, having received its registration on June 15<sup>th</sup>, 2018.

Prior to its registration as a CTA, SAFE provided (and continues to provide) accredited investors and institutional clients with access to emerging financial markets, opportunities and training. Customized portfolios, trade management services and customized offerings are tailored to the needs of the client.

SAFE, through its RIA, includes the following investment vehicles in its analysis, research and potential recommendations: U.S. equities, options, index options, exchange traded funds, and emerging instruments such as weekly options and emerging asset classes.

SAFE also provides self-directed individuals access to investment advisory services via automated information collection and analysis. Individual advisory services provided via our automated portal is provided according to our fee schedule and provides individuals an understanding and access to the world of foreign exchange, index options, exchange traded funds (ETF’s) and emerging financial instruments including binary options and crypto currency markets.

With regard to its CTA operations, SAFE serves the needs of investors seeking asset advisory and management services in the Off-Exchange Retail Foreign Exchange markets (“Forex” or “FX”). This market is also known and/or referred to as the Over the Counter (“OTC”) Spot or Cash Forex market.

SAFE is an alternative asset manager for individual and institutional investors in the Forex market through its use of global Forex trading strategies, discussed in great detail, herein.

The date of this Disclosure Document is December 28<sup>th</sup>, 2018. SAFE is required to immediately update the disclosure document with any material changes. Forex trading is speculative in nature, involves a high degree of risk, and is not suitable for all investors. Investing with SAFE is designed for investors with speculative capital. An investor should consult his or her financial advisor before opening a managed Forex account. No person is authorized by SAFE to give any information or to make any representation not contained herein.

The mailing address of the business is 745 Hope Road, Eatontown, New Jersey, 07724. The main telephone number is 732.889.4309.



## 2: Business Background of the Principle

### **Investview Inc.**

Investview, Inc. was incorporated on January 30, 1946, under the laws of the state of Utah as the Uintah Mountain Copper Mining Company. In January 2005 the Company changed domicile to Nevada, and changed its name to Voxpath Holding, Inc. In September 2006, the Company merged with The Retirement Solution Inc. through a Share Purchase Agreement into Voxpath Holdings, Inc. and then changed its name to TheRetirementSolution.Com, Inc. Then, in October 2008, it changed its name to Global Investor Services, Inc., before changing its name to Investview, Inc., on March 27, 2012. Investview became an approved principal of SAFE with the NFA on July 26, 2018.

Investview, through its wholly owned subsidiaries, provide financial technology, research, education, and advisory services in the areas of personal financial management, along with access to the world's global financial markets. Financial information and research is distributed to individuals through Kuvera LLC. Investview acquired SAFE Management in November 2014 and is just now re-licensing and re-launching its professional advisory services to individuals, accredited investors and institutions.

SAFE Management is wholly owned by Investview and managed by Annette Raynor who is the sole manager for SAFE operations as per Investview's board resolution.

### **Annette Raynor**

Annette Raynor has an extensive employment history in technology and development since 1983 and finance, including education, trading, and management since 2006. Annette Raynor became an approved principal of SAFE on July 31, 2018 and an approved member of the NFA on August 16, 2018.

### **Employment History**

#### **Investview, Inc.**

##### **Chief Operations Officer, Corporate Secretary**

April 1st, 2017 – present

Annette is the Chief Operations Officer for Investview Inc. and continues to operate in this role along with her Supervisory, Compliance and Advisory role for SAFE Management LLC. As, COO she establishes company operating procedures, oversees corporate operations and subsidiary management processes. She participates in Corporate Strategy development and implementation along with the Executive Management team.

#### **SAFE Management, LLC**

##### **Investment Advisor Representative/Compliance**

April 1st, 2017 – present





March 2006 – 2014

Annette is responsible for management, marketing, conformance and structure of SAFE Management. She originally established the firm in March of 2006, sold the firm to Investview in 2014 and regained control on April 1<sup>st</sup>, 2017 when Investview acquired Ms. Raynor's company Wealth Generators LLC. Annette holds a Series 63, Series 3 and Series 34 license.

SAFE Management provides individuals financial advisory services. As a Registered Investment Advisor (RIA) they provide trade strategies that include equities, equity options, ETF's and research on emerging companies in technology. As a Commodity Trading Advisor (CTA) the company provides trade methodology and strategies for retail FOREX and commodity futures. SAFE Management, while established in 2006, is launching its advisory services in the fourth quarter of 2018 once all licensing and registrations have been completed.

### **Wealth Generators LLC**

#### **Chief Operations Officer**

February 2013 – April 2017

Annette Raynor founded Wealth Generators LLC along with Ryan Smith, Chad Miller and Mario Romano. Wealth Generators was acquired by Investview Inc on April 1<sup>st</sup>, 2017 and renamed to Kuvera LLC in February of 2018.

Wealth Generators provides personal financial money management education, courses and technology to individuals who seek to improve management of their personal finances. The program is subscription based, delivered electronically and includes basic finance management education including budgeting, debt reduction, savings, and education on global financial markets including equities, options, ETF's, retail Forex and cryptocurrency courses.

### **Wealth Engineering LLC**

#### **Founder/Owner**

February 2005 – present

Annette Raynor established Wealth Engineering LLC with Mario Romano in February of 2005. The firm invests, develops and brings to market financial research and technology tools for the benefit of the individual. Wealth Engineering is an owner of Investview and Ms. Raynor works full-time for Investview Inc. and SAFE Management LLC.

Wealth Engineering is a consultant to firms who provide financial information, education, research and technology. Wealth Engineering provides services, capital, and management services to these companies. Wealth Engineering does not accept new clients and primarily manages the companies they have acquired ownership in throughout the years.

Ms. Raynor may be contacted at:

Telephone: 732.889.4309

Email: [annette@SAFEadvglobal.com](mailto:annette@SAFEadvglobal.com)



## The Financial U LLC

### COO

December 2013 – April 2017

The Financial U LLC was established in December of 2013 by Dominic Romano and Kevin Raynor Jr. to provide financial education services to high school and college students. Annette Raynor assisted the founders in establishing the company and structure. She provides marketing advice on as needed basis via a contract arrangement.

## 3. The Forex Global Strategy

SAFE's management Forex model Employs technical price-based formations in combination with various technical indicators including not limited to simple moving averages, Bollinger bands, ADX and a proprietary indicator measuring distance from a common mean. These various factors are combined to determine a directional bias suggesting a potential continuation of a trend, potential correction within a trend, or alternatively a potential reversal of a trend. When one of these setups forms, an estimation of potential reward and potential risk is made which endeavors to limit prospective trades to pairs in which potential reward exceeds potential risk. The strategy is then reviewed against global fundamental developments for potential impact on the technical indicators.

If and when a strategy, whether it be a day-trading, swing or longer term strategy, is found to meet these characteristics (the "Forex Global Strategy"), SAFE will engage the trader/developer to manage the Strategy, which SAFE will then control and utilize on behalf of its investors. With any such Strategy, it is imperative that SAFE have, at all times, the ability to modify the strategy and market approach to maintain risk parameters including maximum draw down and open interest in positions. SAFE may deploy multiple traders and managers to monitor the positions and indicators deployed with a focus on risk management. Each of the indicators will be used to trade major currency pairs including: EUR/USD, USD/JPY, GBP/USD, USD/CHF, AUD/USD, USD/CAD and NZD/USD. At times, SAFE may find an appropriate formation on an additional currency pair which will be reviewed for liquidity and volatility before being added to the Forex Global Strategy.

SAFE anticipates offering the Forex Global Strategy in three forms: Micro, Mini, and Standard contract sizes based upon the investor's capital deposit. The minimum investment for the Micro version is \$500, the minimum investment for the Mini version is \$2,500, and the minimum investment for the Standard version is \$5,000. In this way SAFE will be able to service investors with a wide range of risk tolerance.

## 4. Objective of the Strategy

Through the Forex Global Strategy, SAFE will implement numerous indicators which, when deployed in concert, should yield aggregate returns which are uncorrelated with other asset classes and smoother returns over time. SAFE will continuously monitor the Forex Global Strategy to ensure that its component indicators continue to demonstrate the attributes for which they were originally selected. If a particular approach ceases to perform at a level



satisfactory to SAFE, it may elect to remove it from the Forex Global Strategy. In addition, SAFE will continue to review and evaluate other such strategies to incorporate into the Forex Global Strategy.

## 5. Risk | Money Management

SAFE typically risks no more than 10% of assets under management on any single Strategy and 1% of assets under management on any one particular trade. To ensure, to the extent possible, that a portfolio of trades or an individual trade exceed these limits, SAFE will deploy stop loss orders to close one or several positions in the portfolio so as to remain within its risk parameters.

Trade size is a function of the assets under management, the pip value for a particular currency pair and the number of pips to be risked. All things being equal, trade size will increase proportionally to an increase in assets under management and vice versa.

## 6. Fees and Commissions

In exchange for its management services, SAFE typically assesses a management and performance (incentive) fee detailed below:

### A. Management Fee

SAFE charges a 2% per annum Management Fee. This fee will be paid monthly at the rate of .02/12 multiplied by the investor's net asset value ("NAV") as of 5:00pm EST on the last trading day of each calendar month. NAV represents the current value of your account. It includes your account balance as well as all unrealized profit and losses associated with your open positions. If a client account has no open positions, then the NAV is simply equal to that client's Account Balance. (The Account Balance is equal to all of the funds ever deposited into your Account, minus all of the funds ever withdrawn from your Account, adjusted for any profits, losses and/or fees that have been realized through trading). If a client has open positions then NAV is equal to the client's account balance plus/minus any unrealized P/L.

Unrealized P/L refers to the profit or loss held in your current open positions. This is equal to the profit or loss that would be realized if all your open positions were to be closed immediately.

### B. Monthly Performance (Incentive) Fee

The monthly performance (incentive) fee equals 20 percent (20%) of the net new trading profits of the client's account value during each calendar month. This is an incentive charge for trading performance. As used herein, net new trading profits means, for any calendar month, shall be defined as (i) the sum of: (A) the net of all realized profits and losses on FX positions closed during the calendar month (which shall not include management fees), and (B) the net of all unrealized profits and losses on FX positions open as of the end of the



calendar month; (ii) less: (A) the net of all unrealized profits and losses on FX positions open at the end of the previous calendar month, and (B) any cumulative net trading losses (which shall not include management or incentive fees) carried forward from all previous calendar months since the last calendar month for which a performance (incentive) fee was payable. New trading profits shall be calculated after deduction of brokerage commissions and other transaction charges. If any performance (incentive) fee shall have been paid to SAFE, and the account shall thereafter incur a net loss for any subsequent month, SAFE shall be entitled to retain the performance (incentive) fees previously paid from the account. However, no subsequent performance (incentive) fee shall be paid to SAFE until the account has again experienced new appreciation. Losses carried forward into subsequent months will be reduced proportionately for any withdrawals of capital.

\*\*The minimum investment size and account fee structure for each investment in SAFE is subject to the sole discretion of SAFE. Such deviations from the minimum investment size and account fee structure may be offered to family and friends of SAFE or Ms. Raynor, or on a 3-month probationary period to demonstrate the strategy and performance to court larger investors. An account is not considered open and fees are not assessed until the date of the first trade.

## 7. Litigation

Investview, Inc., one of the principals of SAFE, has been involved in the following legal matters, which are summarized below.

- a. On November 1, 2017, Investview, Inc. filed a lawsuit in the Fourth Judicial District Court for Utah County, State of Utah, Wealth Generators, LLC, v. Evan Cabral, Daniel Lopez, John Legarreta, Johnathan Lopez, Julian Kushner, Nick Gomez, Luke Shulla, Nestor Velazquez, Christopher Terry, Isis De La Torre, Alex Morton, Ivan Briongos, Brandon Boyd, and International Markets Live Ltd. d/b/a iMarketslive, Civil No. 170401615, alleging corporate espionage and misappropriation of corporate information. The lawsuit alleges that International Markets Live Ltd., dba iMarketslive, conspired with a number of individuals affiliated with Wealth Generators to steal our confidential information, intellectual property, and trade secrets. Investview, Inc is seeking injunctive relief to protect its business and damages of not less than \$300,000.
- b. On September 14<sup>th</sup>, 2018, Wealth Generators, LLC, a subsidiary of Investview, was issued an Order by the United States Commodity Futures Trading Commission ("CFTC") Docket 18-27 regarding the activities of Wealth Generators, LLC, one of its subsidiaries. Investview, Inc. proposed a negotiated resolution of the matter with the CFTC which was accepted. The order finds that Wealth Generators, through its automated trading convenience tools acted as a Commodity Trading Advisor without being registered as such, Wealth Generators, LLC without admitting or denying any of the allegations, will pay a fine of \$150,000, and will agree not to act as an unregistered



Commodities Trading Advisor in the future. A copy of the CFTC Order dated September 14, 2018 can be found here:

<https://www.cftc.gov/sites/default/files/2018-09/enfwealthgeneratorsorder091418.pdf>

- c. In January, 2018, Jim Westpfahl filed a wage claim against Wealth Generators, LLC (a company that was later acquired by Investview, Inc), in the United States District Court for the District of Utah, Central Division (Case No. 2:18-cv-00080, District Judge Dale A. Kimball and Magistrate Judge Evelyn J. Furse) in the amount of \$6,500 plus liquidated damages. Plaintiff is claiming unpaid overtime wages. Wealth Generators contends that Mr. Westpfahl was an independent contractor, hired on a limited basis to perform software services, and is accordingly not entitled to overtime payments under the Fair Labor Standards Act. Moreover, Plaintiff never provided the promised software pursuant to the parties' agreement. The Magistrate Judge ordered both parties to provide specific disclosures to the other side and both parties have complied. The Parties were ordered to meet and confer in a good faith effort to settle the matter on or before June 12, 2018. The parties were unable to settle the matter and as of June 19, 2018, we are preparing to proceed with filing appropriate counterclaims against Mr. Westpfahl.

## 8. Personal Trading

SAFE and its principals may trade FX, securities, and other investment instruments, for its/his/her own account separate and apart from SAFE.

## 9. Differences Between Bid and Ask Prices

Within the Forex market, spreads, which are the difference between the bid and ask prices, are measured in Percentage-In-Points ("PIP"). A Pip is typically the smallest unit of change in an exchange rate of a currency pair. The major currencies (except the Japanese yen) are traditionally priced to four decimal places, and a pip is one unit of the fourth decimal point: for dollar currencies this is to 1/100th of a cent (\$0.0001). For the yen, a Pip is one unit of the second decimal point (¥0.01), because the yen is much closer in value to one hundredth of other major currencies. The difference between the bid and ask prices is typically 1 to 5 Pips for the major currency pairs such as the EUR/USD, USD/JPY, GBP/USD, and USD/CAD. The spread may vary due to volume. SAFE does not receive compensation for any portion of the spread.



## 10. Account Structure

### A. Managed Account Structure

In order to invest with SAFE, clients are required to open an account and deposit funds with Gain Capital Group, LLC (“Gain Capital”). Gain Capital is publicly traded and listed on the New York Stock Exchange (NYSE: GCAP).

Gain Capital, and not SAFE, will have custody of client funds and will provide clients with confirmations of all transactions in the client’s account, as well as monthly statements showing information about trading activities and other account statements provided by the Gain Capital to its customers.

It is the sole responsibility of Gain Capital, not SAFE, to provide these reports to the client. The client must authorize Gain Capital to forward to SAFE copies of all confirmations, statements, or reports sent by Gain Capital.

Once the account is opened with Gain Capital, investors will then sign a Limited Power of Attorney (“LPOA”) form, which provides SAFE with authority to trade on their behalf, while still leaving all authority to withdraw or transfer assets with the client at all times.

All participating client accounts of SAFE will be traded and maintained using a Multi-Account Manager (“MAM”) provided by Gain Capital. A MAM is a front-end trading platform that allows SAFE to place one block trade on behalf of all investors which will then be allocated to each investor in proportion of their equity relative to the enter equity of all investor accounts.

#### i. Gain Capital Regulatory Disclosures

The following Narrative Summary from the NFA details the only material administrative action pending or concluded against Gain Capital (referred below as “Gain”) within the past five years:

##### COMPLAINT 1:

“On June 30, 2010, NFA issued a Complaint against Gain and Stevens<sup>1</sup> that cited Gain for engaging in margin and liquidation practices that had a detrimental impact on certain of Gain's customers on certain slipped trades, failing to maintain records for certain unfilled orders that were placed on the MetaTrader trading platform prior to May 2009, failing to adequately review the activities and promotional material of Gain's unregulated solicitors, failing to respond promptly to certain inquiries and requests made by NFA during NFA's audit of Gain and, together with Stevens, failing to supervise the firm's operations.

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Reference to ‘Stevens’ is Glenn Stevens, Gain Capital's Chief Executive Officer



## DECISION:

On October 27, 2010, NFA's BCC issued a Decision accepting an Offer of Settlement submitted by Gain and Stevens, in which Gain and Stevens neither admitted nor denied the allegations of the Complaint and agreed to settle the case on the following terms: Gain agreed to refund to customers the amount of negative slippage they experienced on the trades that were placed in their accounts between May 1 and July 31, 2009 and which were attributable to the Virtual Dealer Plug-in that Gain used on its institutional and retail servers, Gain agreed to refund to customers the losses they incurred as a result of Gain's practice of adjusting leverage and margin requirements on Fridays, as alleged in Count I of the Complaint; Gain agreed to pay \$459,000 to NFA as a monetary sanction; Gain agreed that in the future any and all slippage parameters that Gain uses in determining whether a customer's order will be executed or re-quoted, shall be symmetrical in nature and neither advantageous nor disadvantageous to the customer or to Gain; and Gain agreed not to reinstate its practice of adjusting leverage and margin requirements on Fridays, as described in Count I of the Complaint, which it has discontinued. The Decision made no findings with respect to Count V of the Complaint charging failure to supervise."

## COMPLAINT 2:

On September 17, 2018, the (CFTC) issued an Order filing and simultaneously settling charges against Global Asset Advisors LLC d/b/a Daniels Trading (GAA), a Chicago-based Introducing Broker (IB), and its principal and registered Associated Person (AP), Glenn A. Swanson, for failure to diligently supervise employees' handling of customer accounts subject to post-execution allocation. GAA was also charged with failure to preserve complete records.

The CFTC Order requires GAA and Swanson to pay, jointly and severally, a \$300,000 civil monetary penalty and to cease and desist from further violations of the Commodity Exchange Act and CFTC Regulations, as charged.

Specifically, the Order finds that between at least January 2013 and February 2014 (Relevant Period), a client registered as a commodity pool operator and commodity trading adviser (CTA) engaged in an unlawful post-execution allocation scheme in which the CTA disproportionately allocated profitable trades to the accounts in which the CTA or the CTA's associates had a proprietary interest, and unprofitable or less profitable trades to customer or pool accounts. After being notified by the Futures Commission Merchant (FCM) that the CTA was sending allocation instructions hours after execution and, at times, after the close of trading, Swanson mandated in an email, copied to the FCM, that the CTA send allocation instructions to GAA within 30 to 60 minutes of the trade, and in no event later than 4:00 p.m. Central time. Even though Swanson was aware of the risk that a commodity trading advisor could use post-execution allocation to allocate bunched orders in a preferential manner, neither he nor other GAA supervisory personnel took further action



regarding the CTA's accounts, such as following up with the GAA AP or the FCM to determine whether the CTA was complying with Swanson's guidelines, or reviewing the CTA's allocation methodology, the Order states. Moreover, although the CTA continued to submit allocations later than required by Swanson, the GAA AP continued to transmit the CTA's post-execution allocation instructions to the FCM. GAA and Swanson did not enforce compliance with their directive concerning the CTA's submission of allocation instructions and failed to supervise the GAA AP in processing the CTA's bunched orders.

The Order also finds that during the Relevant Period, the National Futures Association issued two regulatory actions—a Member Responsibility Action (MRA) prohibiting the CTA from soliciting funds or withdrawing money from managed accounts, and later, an order banning the CTA from trading. Despite these prohibitions, a GAA AP facilitated the opening of a new account in the name of the CTA's spouse (Spouse Account), for which the CTA never obtained a power of attorney authorizing him to trade. In violation of GAA's policy and the regulatory actions, the GAA AP, who was aware that the CTA was exercising discretion over the Spouse Account, repeatedly requested that the FCM process withdrawals from the Spouse Account and executed trades in the Spouse Account after the ban. The Order also finds that in the period between the issuance of the MRA and the trading ban, Swanson and other GAA supervisory personnel were involved in discussions and communications regarding the relationship between the CTA and the Spouse Account. During the Relevant Period, GAA did not have policy or system in place to monitor accounts owned or operated by CTAs subject to regulatory orders. In addition to supervisory failures, the Order finds that GAA failed to maintain the GAA AP's instant messages, which contained the CTA's post-execution allocation instructions.

### COMPLAINT 3:

“On September 17, 2018, this [Business Conduct] Committee issued a Complaint against Global Asset Advisors, an introducing broker Member of NFA located in Chicago, Illinois. The Complaint also named [Glenn A.] Swanson and [Kenneth S.] Packard as respondents. Swanson is the president of Global Asset advisors, and Packard is the firm's chief sales and (sic) officer. Swanson and Packard are also associated persons and listed principals of Global Asset Advisors, and NFA Associates. The Complaint alleged that Global Asset Advisors, Swanson and Packard violated NFA Compliance Rule 2-9(a) by failing to adequately supervise the firm's operations and its employees to monitor for, and detect, unusual allocation activity and to prevent violations of a Member Responsibility Action issued by NFA.

### DECISION:

Having considered this matter and having accepted the Offer submitted by Global Asset Advisors, Swanson and Packard, the committee hereby orders as follows:

- A. Global Asset Advisors and Swanson shall pay a fine of \$200,000 to NFA, for which they will be jointly and severally liable, payable within 30 days after the effective date of this Decision.





- B. Packard shall pay a total fine of \$35,000 to NFA, payable within 30 days after the effective date of this Decision.

In considering their Offer, the Committee took into account a parallel proceeding brought by the CFTC against Global Asset Advisors and Swanson, which also relates to the conduct alleged in NFA's Complaint and subjected Global Asset Advisors and Swanson to a monetary sanction." Global Asset Advisors, LLC is an affiliated firm of Gain Capital and Swanson is a principal of Gain Capital.

## ii. Gain Capital Litigation Disclosures

### LITIGATION 1:

On February 16, 2012, Gain Capital received a Letter of Claim on behalf of certain individuals who had lost money in an investment scheme operated by a third-party money management firm, incorporated in the United Kingdom, which has since been closed down by the United Kingdom's Financial Services Authority. The investment firm, Cameron Farley Ltd, had opened a corporate account with Gain Capital and invested the individuals' money, representing such funds as its own, while operating a fraudulent scheme. Though a complaint had been filed and served on Gain Capital, the claimants requested, and Gain Capital agreed, to follow the United Kingdom's Pre-Action Protocol, a pre-litigation process intended to resolve matters without the need to engage in formal litigation. On April 28, 2016, the parties entered into a Settlement Agreement in which the Company agreed to make a one-time settlement payment in exchange for a full and final settlement of all claims. For the year ended December 31, 2016, the settlement amount, net of insurance recoveries, totaled approximately \$9.2 million.

### LITIGATION 2:

Through Gain Capital's acquisition of Open E Cry ("OEC"), Gain Capital became the subject of a patent infringement lawsuit originally filed against OEC on February 9, 2010 in the U.S. District Court for the Northern District of Illinois by Trading Technologies International, Inc. ("Trading Technologies") seeking injunctive relief and unspecified damages. As reflected in a Second Amended Complaint filed on June 15, 2011, plaintiff alleged infringement of 12 patents relating to real-time display of price quotes and market depth on OEC's electronic trading interfaces. The case was consolidated with 11 related cases in February 2011, and the parties have exchanged infringement, non-infringement and invalidity contentions for several of the disputed patents. On May 6, 2015, the Company entered into a settlement and license agreement with Trading Technologies pursuant to which Gain Capital made a one-time royalty payment to Trading Technologies in exchange for a volume-based license for the disputed patents. Gain Capital was fully indemnified for the amount of the royalty payment by the former owner of OEC and therefore Gain Capital incurred no net expense. The lawsuit was dismissed on May 6, 2015.

## iii. Gain Capital Fees

Gain Capital does not assess any fees to SAFE or its investors directly. Gain derives all of its compensation from SAFE activities through the bid-ask spread which Gain Capital quotes



for SAFE and its other clients - Gain Capital does not assess per trade commissions. As the full cost of any trade is represented by the bid-ask spread, it is important to understand the cost associated with that spread. For example, when trading in the EUR/USD, the value of a pip is \$10.00 for every standard lot (100,000) position taken. Thus, if a standard lot EUR/USD position was immediately opened and closed and the prevailing bid-ask spread at that time was 1.5 pips, the total cost of that transaction to SAFE (and the gross fees earned by Gain Capital) would be \$15.00.

## B. Introducing Brokers

SAFE investors may open their trading accounts directly with Gain Capital or may work through one or several Introducing Brokers that are registered with the CFTC and are members of the NFA. SAFE investors are free to choose their Introducing Broker, through which it may open an account with Gain Capital, subject to any reservations set forth in this section, below. SAFE reserves the right to compensate an Introducing Broker with a portion of the fees it generates on clients introduced by that particular Introducing Broker. SAFE further reserves the right to not work with certain Introducing Brokers if it finds that investors are found to be relying on representations made by the Introducing Broker that conflict with this Disclosure Document or where SAFE believes that the Introducing Broker is referring clients for whom SAFE's trading strategies are not suitable.

## C. Withdrawal of Capital

SAFE should be viewed by clients as a long-term investment with the objective of seeking capital appreciation over time. Clients can withdraw capital from their accounts at any time. SAFE requests written notice of the effective withdrawal date. To close an account, the client should specify in writing the date on which he wants the account liquidated. Withdrawal requests will also need to be made to Gain Capital in order to fully process your withdrawal.

# 11. Principal Risk Factors

Investing with SAFE is speculative and involves a high degree of risk. SAFE directs the trading for clients in the Forex market. Before investing in Forex, clients should consult their financial advisor to inform themselves fully on Forex trading and to determine if Forex is suitable for their investment needs. Forex trading involves many risks. Prospective clients should review this section and the entire Disclosure Document to become familiar with some of the more significant risks.

## A. Market Risks

**Forex Trading is Speculative and Volatile.** Forex prices are highly volatile and are affected by a wide variety of complex and hard to predict factors; consequently, a primary risk in trading these instruments is fast market movements in a short amount of time. Price fluctuations may affect SAFE's ability to earn investment returns for a client's account. Forex trading is speculative and has a high degree of price variability. This variability, combined



with the leverage used in Forex trading, can cause large and sudden losses of capital and may result in the total loss of your investment or, in certain cases, clients can lose more than their total investment.

**Forex Trading is Highly Leveraged.** Because the amount of margin funds necessary to be deposited in order to enter into a Forex position is typically about 2% to 10% of the total value of the trade, SAFE is able to hold positions with face values equal to several times the net assets of a client's account. As a result of this leveraging, even a small movement in price can cause major losses. To help limit your trading losses and ensure that your losses do not exceed your account balance, Gain Capital's systems monitor client margin in near real-time and will automatically close out a client's open positions if the client's account equity falls below the 100% margin requirement. The liquidation process is as follows: the net aggregated open position with the greatest unrealized loss is closed first, followed by the next largest losing position and so on, until the maintenance margin requirement is satisfied or exceeded. Depending on the size and unrealized P&L of the open positions, all open positions may be liquidated in order to meet the margin requirement.

While Gain Capital's real-time margin system is designed to limit a client's trading losses and help ensure that total losses never exceed a client's total account balance, the client does risk incurring losses greater than the client's account balance, especially during periods of extreme market volatility. While it is not Gain Capital's policy to hold clients responsible for modest negative balances; it reserves the right to hold the client responsible for large debit balances and in special circumstances.

**Illiquid Markets and Concentrated Trading.** Forex trades cannot always be executed or liquidated at a desired price. The prices at which a buy or sell occurs may differ from the prices expected because there may be a delay between receiving a quote and executing a trade, particularly in thinly traded markets or markets which lack sufficient trading liquidity. A market disruption, such as when foreign governments may take or be subject to political actions which disrupt the markets in their currency or major exports, can also make it difficult to liquidate a position. Additionally, as retail FX clients, investors in SAFE may only offset or liquidate any trading positions with Gain Capital since these transactions do not take place on an exchange or open market. To that end, investors are reliant upon Gain Capital to set its own prices and continue make a market in FX.

Unexpected market illiquidity has caused major losses in recent years in such sectors as emerging markets mortgage-backed securities and Forex trading. There can be no assurance that the same will not happen to an account at any time or from time to time. The size of the positions which SAFE acquires for an account increases the risk of illiquidity by both making its positions more difficult to liquidate and increasing the losses incurred while trying to do so.

**Day Trading can be very risky.** Day trading is generally not appropriate for someone of limited resources and limited investment or trading experience and low risk tolerance. Clients should be prepared to lose all of the funds invested for day trading. In particular, clients should not fund any day trading activities with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or



home ownership, or funds required to meet your living expenses. Clients should be wary of advertisements or other statements that emphasize the potential for large profits in day trading. Day trading, by its very nature, may result in more frequent trading than longer-term styles of trading where positions are held for days, weeks, months or even years. As a result, day trading may result in increased transaction costs. Day trading can also lead to large and immediate financial loss.

**Forex transactions are Over-the-Counter.** Foreign exchange trading, at least in the context discussed in this disclosure document, does not mean trading on foreign exchanges. Forex transactions are typically traded over-the-counter through a dealer market, which is dominated by major money center and investment banks. In the event of bankruptcy, no protection exists for client funds maintained at Gain Capital should it become insolvent. While you may have a claim for amounts deposited or profits earned on transactions with Gain Capital, 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 any monies still available after priority claims are paid. Even client funds that Gain Capital keeps separate from its own operating funds may not be SAFE from the claims of other general and priority creditors.

**An Investment in Managed Forex Accounts May Not Diversify an Overall Portfolio.** Historically, alternative investments such as managed Forex have been generally non-correlated to the performance of other asset classes such as stocks and bonds. Non-correlation means that there is no statistically valid relationship between the past performances of currency movements on the one hand and that of stocks or bonds on the other hand. Non-correlation should not be confused with negative correlation, where the performance of two asset classes would be exactly opposite. Because of this non-correlation, a client's account cannot be expected to be automatically profitable during unfavorable periods for the stock market or vice versa. The Forex market is fundamentally different from the securities markets in that for every gain made in a Forex transaction, the opposing side of that transaction will have an equal and offsetting loss. If a client's account does not perform in a manner non-correlated with the general financial markets or does not perform successfully, a client will obtain no diversification benefits by investing in managed Forex and a client's account may have no gains to offset losses from other investments.



## B. Trading Risks

**SAFE Analyzes Technical Market Data.** The Forex Strategies used by SAFE for clients' accounts are based primarily on technical analysis. The profitability of trading with these strategies depends on, among other things, the occurrence of significant price movements, up or down, in Forex prices. Such price movements may not develop; there have been periods in the past without such price movements. No assurance can be given that SAFE's Forex Global strategies will be successful in the future, or that investment results of a client's account will be similar to those achieved by SAFE in the past. The likelihood of profitability could be materially diminished during periods when events external to the markets themselves have an important impact on prices. During such periods, SAFE's strategies may have established positions on the wrong side of the price movements caused by such events.

**Possible Effects of other Trading Systems.** If many traders follow models very similar to SAFE, it may be difficult to establish new positions or liquidate existing positions. Increased trading competition from other similar strategies could operate to the detriment of a client's account. It may become more difficult for SAFE to implement its trading strategy if other trading advisors using similar strategies are, at the same time, also attempting to initiate or liquidate Forex positions.

**Trading Systems Involve Proprietary Methods.** Because specific elements of SAFE's Forex Strategies are proprietary, a client will not be able to determine the full details of the strategy or whether the strategy is being followed. For more information regarding SAFE's Forex Global Strategy, see "The Trading Strategy."

**Trades May be Executed at Different Prices for Different Accounts.** SAFE attempts to execute the trades for all clients at the best possible price. Trades may, however, be executed at different times for different accounts. There is no guarantee that every client account will receive a trade at the exact same price.

**Increase in Assets Under Management May Make Profitable Trading More Difficult.** SAFE has not agreed to limit the amount of equity which it may manage and is actively engaged in raising assets for new and existing accounts. The more equity SAFE manages, the more difficult it may become for SAFE to trade profitably because of the difficulty of trading larger positions without adversely affecting prices and performance. Accordingly, such increases in assets under management may require SAFE to modify its trading decisions, which could have a detrimental effect on a client's investment. In addition, SAFE may have an incentive to favor other accounts because the compensation received from some other accounts may exceed the compensation it receives from certain other accounts. Because records with respect to other accounts are not accessible, an investor will not be able to determine if SAFE is favoring other accounts. See "Trading Capacity."

**Performance May Vary from Other Accounts During the Start of Trading.** A client's account may incur certain risks relating to the initial investment of its assets, such as when a client's account commences trading operations at an unpropitious time (e.g. after sustained moves or at or near the beginning of a drawdown). However, clients will not be allocated positions



opened prior to the time their account was managed by SAFE: the first activity in a client's account will only be a new trade entered into after the client's account is managed by SAFE.

**Stop Loss Order May Not Be Executed.** No guarantee can be made that a stop loss order or equity stop will be honored by Gain Capital at the requested price. Due to market volatility during major news announcements, clients must invest only risk capital that they can afford to lose in the event of a market gap that falls outside of SAFE's risk management controls, resulting in unavoidable losses that cannot be controlled by SAFE or Gain Capital.

### C. Tax Risks

**Fees May be Characterized as "Investment Advisory Fees".** The Internal Revenue Code of 1986, as amended, provides that investment advisory fees are to be aggregated with unreimbursed employee business expenses and other expenses of producing income, collectively "aggregate investment expenses," and the aggregate amount of such expenses will be deductible only to the extent that such amount exceeds 2% of a taxpayer's adjusted gross income. In addition, aggregate investment expenses in excess of the 2% threshold, when combined with certain other deductions, are subject to a reduction generally equal to 3% of the taxpayer's adjusted gross income in excess of a threshold amount. Such limitation could substantially reduce the deductibility for federal income tax purposes on any amount deemed to constitute "investment advisory fees." The performance (incentive) fees payable to SAFE may be characterized as investment advisory fees subject to the above limitation. EACH CLIENT, THEREFORE, MAY PAY TAX ON MORE THAN THE NET PROFITS GENERATED IN THEIR ACCOUNT. EACH PROSPECTIVE CLIENT MUST CONSULT AND MUST DEPEND ON THEIR OWN TAX ADVISER REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF PARTICIPATING IN THE SAFE TRADING PROGRAM.

### D. Other Risks

**The price of any Forex currency pair, and therefore the potential profit or loss thereon, may be affected by any variance in the foreign exchange rate between the time a position is established and the time it is liquidated, offset or exercised.** Some over the counter FX currencies may also be in a developmental stage so that prior price histories may not be indicative of current price dynamics.

**You Must Not Rely on the Past Performance of SAFE in Deciding Whether to Invest.** The future performance of a client's account is not predictable, and no assurance can be given that a client's account will perform successfully in the future. Past performance is not necessarily indicative of future results.

**Conflicts of Interest.** There may be conflicts of interest which arise in SAFE's management of accounts. To review these conflicts of interest in greater detail, please see "Conflicts of Interest."

**Reliance on SAFE.** The incapacity of SAFE's principals could have a material and adverse effect on SAFE's ability to discharge its obligations. The absence of Ms. Raynor, SAFE's Chief



Executive Officer at this time, could result in a material and adverse effect on SAFE's ability to adequately carry out its management responsibilities.

**Proposed Regulatory Change is Impossible to Predict.** The futures and Forex markets are subject to comprehensive statutes, regulations and margin requirements. In addition, the CFTC and the exchanges are authorized to take extraordinary actions in the event of a market emergency. The regulation of Forex transactions in the United States is a rapidly changing area of law and is subject to modification by government and judicial action. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in the currency markets. The effect of any future regulatory change on a client's account is impossible to predict but could be substantial and adverse.

**The Performance (Incentive) Fee Could be an Incentive to Make Riskier Investments.** SAFE employs a speculative strategy and receives performance (incentive) fees based on the trading profits earned by it. SAFE would not agree to manage a client's account in the absence of such a performance (incentive) fee arrangement. Accordingly, SAFE may make investments that are riskier than might be made if the assets were managed by a trading advisor that did not require performance-based compensation.

**Potential Inability to Trade or Report Due to System Failures.** SAFE's strategy is dependent, to a significant degree, on the proper functioning of its internal computer systems. Accordingly, systems failures, whether due to third party failures upon which such systems are dependent or the failure of SAFE's hardware or software, could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade (even for a short time), could, in certain market conditions, cause a client's account to experience significant trading losses or to miss opportunities for profitable trading. Additionally, any such failures could cause a temporary delay in reports to investors.

**Potential Disruption or Inability to Trade Due to a Failure to Receive Timely and Accurate Market Data from Third Party Vendors.** SAFE's strategy is dependent, to a significant degree, on the receipt of timely and accurate market data from third party vendors. Accordingly, the failure to receive such data in a timely manner or the receipt of inaccurate data, whether due to the acts or omissions of such third-party vendors or otherwise, could disrupt trading to the detriment of a client's account or make trading impossible until such failure or inaccuracy is remedied. Any such failure or inaccuracy could, in certain market conditions, cause a client's account to experience significant trading losses, effect trades in a manner which it otherwise would not have done, or miss opportunities for profitable trading. For example, the receipt of inaccurate market data may cause SAFE to establish (or exit) a position which it otherwise would not have established (or exited), or fail to establish (or exit) a position which it otherwise would have established (or exited), and any subsequent correction of such inaccurate data may cause SAFE to reverse such action or inaction, all of which may ultimately be to the detriment of a client's account.

## 12. Conflicts of Interest

SAFE may act as CTA to numerous trading accounts, all of which compete with each other for SAFE's services and time. Additionally, SAFE acts a trading advisor in other asset classes



for its RIA investors, who also complete for SAFE's services and time. Thus, SAFE could have a conflict of interest between its responsibilities to one client's account and to those of other accounts. SAFE believes that it has sufficient resources to discharge its responsibilities in this regard in a fair manner. SAFE, however, trades all its accounts within the portfolio in a substantially similar manner, given the differences in size and timing of the capital additions and withdrawals. There may also be an inherent conflict of interest in the incentive fee as SAFE assesses its clients. SAFE may be incentivized to take larger, more frequent and more risky trades to generate a positive return so that it may earn and collect an incentive fee.

Principal/Associated Persons of SAFE and SAFE itself, may trade Forex positions for his/her/its own accounts. A conflict of interest may exist if proprietary trades are placed in the same markets and at the same time, using the same counter-party as another account. One account may receive less favorable executions than other accounts. It is SAFE's policy to objectively allocate trade executions that afford each account the same likelihood of receiving favorable or unfavorable executions over time.

There may be a conflict of interest if SAFE or its principal were to trade their proprietary accounts more aggressively, or take positions in proprietary accounts which are opposite, or ahead of, the positions taken by any non-proprietary account. In addition, a conflict of interest may exist should SAFE give preferential treatment to orders placed for proprietary accounts. Additionally, these personal/proprietary positions may also be competing with client's accounts for trades. Clients will not be given the ability at any time to inspect the records of any proprietary account nor will they be permitted to inspect any written policies related to such trading.

At present, SAFE is not aware of any actual or potential conflicts of interest it may have with Gain Capital.

### 13. Trading Capacity

SAFE believes that it is not possible to define or quantify capacity with any degree of certainty. As assets under management increase, SAFE will continue to optimize its investment strategy in an attempt to deliver consistent, uncorrelated returns to the equity and fixed income markets. A significant increase in assets will lead to portfolio compromises, as increasingly larger positions will only be established and maintained in those markets that have sufficient depth and liquidity.

Notwithstanding SAFE's research, risk and portfolio management efforts, there may come a time when the combination of available markets and new strategies may not be sufficient for SAFE to add new assets without detriment to diversification. If this were to occur, SAFE would expect risk-adjusted returns to begin to degrade – a more concentrated portfolio may result in lower risk-adjusted returns and may have a detrimental effect on your investment.

### 14. Added Disclosures

SAFE will accept new client accounts at Gain Capital at any time but reserves the right to begin trading the new accounts only at the beginning of any future month. SAFE will





commence trading within 30 days of the clients' deposit with Gain Capital. SAFE also reserves the right to reject a new client or terminate the LPOA of any existing client at any time and without notice.

**ANY FEES THAT HAVE BEEN PAID TO SAFE WILL NOT BE REIMBURSED TO THE CLIENT SHOULD THE CLIENT LOSE MONEY IN ANY FUTURE MONTH.**

The client authorizes Gain Capital, after the last business day of each month, to deduct from the client's account and pay to SAFE any management and/or performance (incentive) fees due to SAFE.

If the client's account is closed or the LPOA terminated as of any date which is not the end of a month, the management and/or performance (incentive) fees described above, if applicable, will be determined as if that date were the end of a month and paid to SAFE.

## 15. Indemnification

Neither SAFE nor any of its employees, principal, legal advisors, accounting firm or other affiliates shall in any way be personally liable to the client or to any other parties in connection with any orders for the trading of Forex on behalf of the client or for any other actions taken by SAFE in connection with the management of an account which is not the result of fraud or willful misconduct on the part of SAFE. Absent fraud or willful misconduct, Client agrees to indemnify and hold harmless SAFE, its employees, principal, legal advisors, accounting firm or other affiliates from and against any and all liabilities, losses (trading or otherwise), damages, costs and expenses, including attorneys' fees, incurred by SAFE arising out of or related to this disclosure document.

## 16. Performance Records Disclosure

The CFTC mandates that all Commodity Trading Advisors should disclose the actual performance records of all accounts, which the Commodity Trading Advisor and its principal have had the authority, via LPOA, to trade.

SAFE, is registered as a Commodity Trading Advisor as of 7/31/2018. The CTA was formed to offer its own Forex managed account program.

The Forex Global Strategy has only recently been theorized and developed for compliance with CFTC regulations pertaining to leverage, hedging and First-In-First-Out order of trading operations. As a result, it has not yet generated a performance track record. **In accordance with the foregoing and CFTC § 4.35(b)(3), NEITHER THIS TRADING ADVISOR NOR ANY OF ITS TRADING PRINCIPALS HAVE PREVIOUSLY DIRECTED ANY ACCOUNTS.**



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Month	2018
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
<b>Year-to-date:</b>	



## Client Acknowledgement of Disclosure Document

The undersigned hereby acknowledges that he has read and understood the Disclosure Document for SAFE Investments, LLC (“SAFE”) dated December 28, 2018 and agrees to all of the terms and conditions thereof and has carefully considered the matters outlined and referred to therein in determining whether to open a commodity trading account advised by SAFE.

Further, the undersigned Client hereby acknowledges that SAFE has made itself available to answer any and all of the client’s questions and concerns relating to an investment to be managed by SAFE. The client also acknowledges that the client has acquired sufficient knowledge of the respective SAFE trading program(s) to make a well-informed decision as to the client’s suitability to invest in a SAFE managed account.

### Acknowledgment of Electronic Receipt

The undersigned represents that this document was received electronically, and the content has not been edited or altered in any way.

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Joint Client Signature

\_\_\_\_\_  
Client Name (Typed or Printed)

\_\_\_\_\_  
Joint Client Name (Typed or Printed)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



## 17. Opening an Account

In connection with establishing an account at Gain Capital, a client must complete an LPOA and submit it to SAFE. The LPOA authorizes SAFE to direct the trading in the client's account. The LPOA will provide and grant SAFE the authority to determine all trades that will be made in the investor's account without any prior approval by or notification to the client and all such trades shall be made in the sole discretion of SAFE. The LPOA may be revoked at any time by the client. If the client revokes the LPOA, the control of such client's account will revert to the client and SAFE will direct no further trades in the client's account without the client's approval.

The business of SAFE involves managing Forex accounts using its proprietary trading strategy. SAFE will manage and direct the trading of accounts for other clients during the same period that they are managing your account(s). The LPOA will not prohibit SAFE from managing or directing the trading of other accounts during the term of the LPOA or from using the same information and trading strategy obtained, produced or utilized in the performance of services for any particular investor or account.

It is the client's responsibility for negotiating the commissions charged to your account by your broker. SAFE's fees are deducted directly from your brokerage account. You agree to authorize the Retail Foreign Exchange Dealer to remit directly to SAFE payment of the incentive fees.

Under the LPOA, SAFE will be acting as a trader for the client and the client will be legally bound as principal for all trades and any and all other obligations incurred by SAFE. In the event, therefore, of a deficiency in the investor's account due to a margin call, a loss exceeding the value of the account or otherwise, the investor will be responsible for the full amount of the deficiency. Investors must be aware of and recognize that his or her potential liability for the account may exceed the amount held in, or the value of the account.

The client should carefully review and study the power of attorney before determining to establish such an account. Clients should also be aware that the LPOA will have been prepared by Gain Capital. Gain Capital requires the use of its templated LPOA to create uniformity when onboarding investors of CTAs and also so that clients acknowledge and agree to provisions requiring them to indemnify Gain Capital, and other parties for all losses in the client's account and perhaps other matters. It is also likely that the LPOA will contain provisions requiring that any and all disputes regarding the client's account will be subject to arbitration at a specified location and in accordance with certain specified arbitration rules and procedures.

In addition to the client opening an account with Gain Capital, SAFE will require that the client complete and return the following SAFE documents via direct mail, email or fax to our offices, before trading is initiated:

- Client Acknowledgment of this Disclosure Document
- SAFE Client Questionnaire
- Client Advisory Agreement and Trading Authorization



- Authorization to Pay Fees

These documents must be completed, signed and returned by email to [annette@SAFEadvglobal.com](mailto:annette@SAFEadvglobal.com).