

Bluenose Capital Management, LLC (BNC BI)

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January 2016

ANNUAL RETURNS

	2012	2013	2014	2015	2016 YTD
Advisor	12.92%	-6.61%	7.42%	4.06%	-1.15%
Barclay CTA Index	-1.70%	-1.42%	7.61%	-1.47%	0.00%
Funds Managed (Mil.)	\$ 8.22	\$ 5.87	\$ 4.90	\$ 4.01	\$ 3.91

ACCOUNT INFORMATION

Mgmt. Fee:	2.00%	M/E Ratio:	50.00
Incentive Fee:	20.00%	Options:	100%
Min. Acc:	\$ 30K	Discretion:	100
Rt/yr/\$Million:	2400	Interbank:	0.00%

REWARD/RISK RATIOS

	3-Years	Cumulative
Sharpe Ratio:	0.07	0.98
Sterling Ratio:	0.05	0.05
Barclay Ratio:	1.05	1.16
Efficiency Index:	0.08	0.99

PERFORMANCE ANALYSIS

Start Date:	October 2008
Total Return Since Inception:	113.00%
Compounded Annual Return:	10.86%
Average Monthly ROR:	0.91%
Std. Deviation of Monthly ROR:	3.16%
Winning Months:	70 Average Gain: 2.04%
Losing Months:	18 Average Loss: -3.48%

PORTFOLIO COMPOSITION

Currencies:	0%	Energy:	0%
Equities:	0%	Grains:	0%
Interest Rates:	0%	Meats:	0%
Base Metals:	0%	Precious Metals:	0%
Softs:	0%	Stock Indices:	100%
SSF:	0%	VIX:	0%
Other:	0%		

RELATIVE VOLATILITY

Loss of 25% or more:	1.68%
Loss of 50% or more:	0%
Loss of 75% or more:	0%

CORRELATIONS

Barclay CTA Index:	-0.01	S&P 500	-0.10
US Treasury Bonds:	-0.02	EAFE	-0.18
World Bonds:	-0.03		

DRAWDOWN REPORT

Depth	Length (Mos.)	Recovery (Mos.)	Start Date	End Date
16.71%	8	5	Mar 13	Nov 13
12.08%	1	9	Sep 14	Oct 14
6.22%	6	*	Jul 15	Jan 16
5.77%	1	1	Jun 09	Jul 09
3.13%	1	1	Jun 14	Jul 14
2.97%	1	2	Aug 09	Sep 09
1.62%	1	1	Mar 11	Apr 11

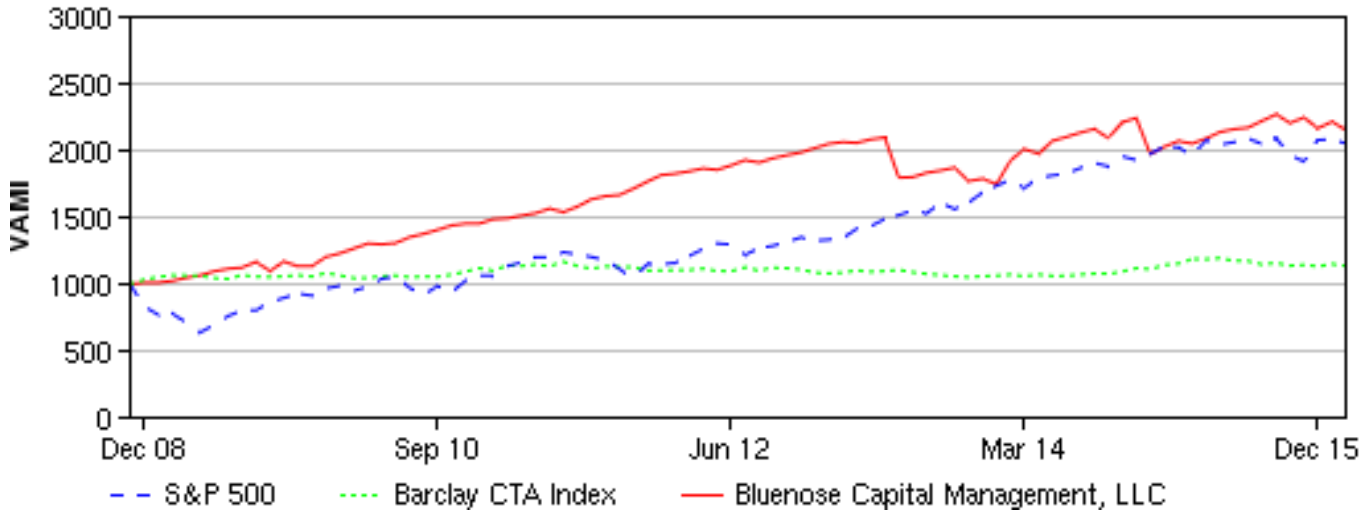
TIME WINDOWS

Length (Mos.)	Best	Worst	Average
1	10.29%	-14.32%	0.91%
3	13.10%	-13.54%	2.83%
6	22.12%	-15.60%	5.89%
9	26.57%	-16.14%	9.03%
12	28.12%	-14.77%	12.15%
18	37.95%	-9.37%	18.84%
24	55.70%	-3.79%	25.89%

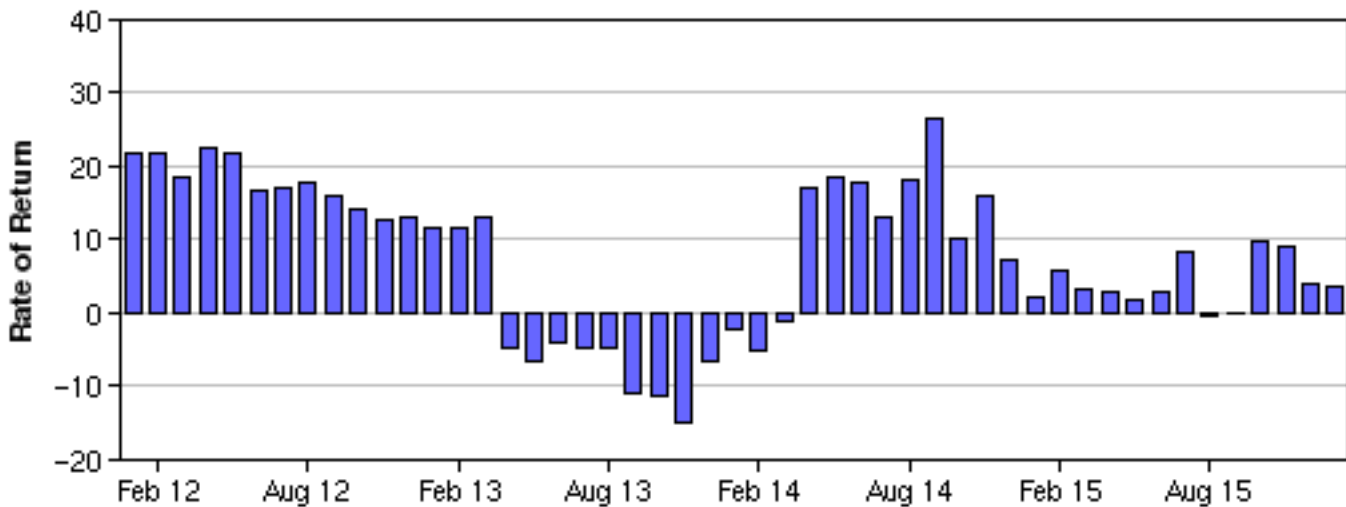
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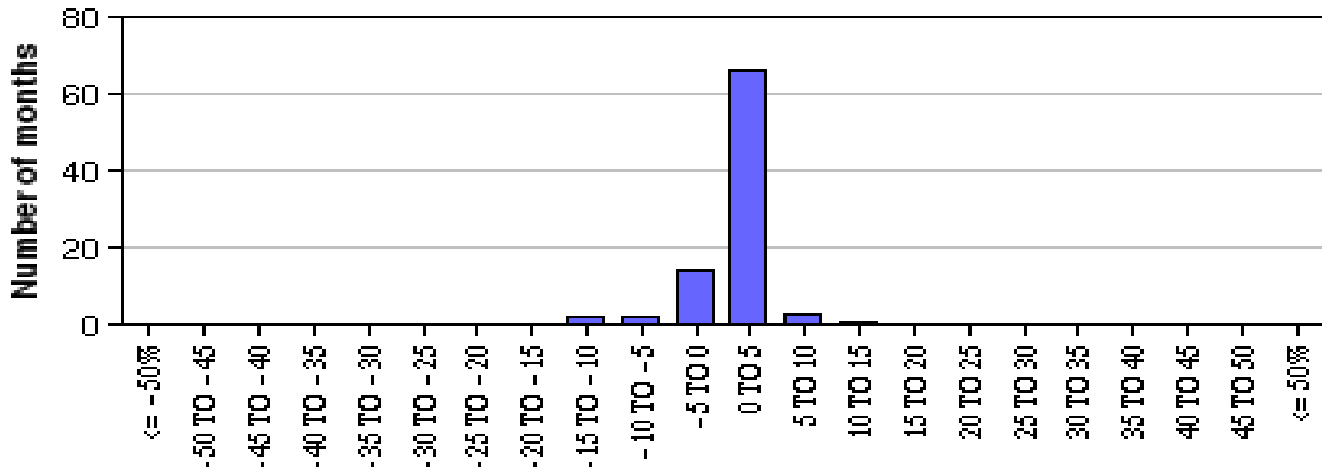
VAMI vs BARCLAY vs S&P 500



RETURNS FOR PRECEDING 12-MO. PERIODS



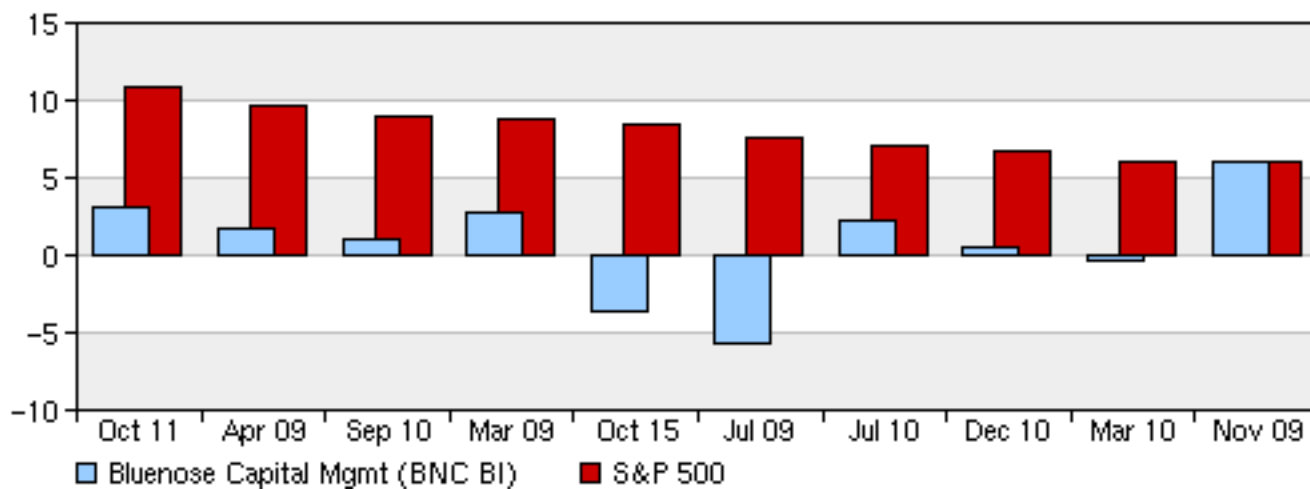
DISTRIBUTION OF MONTHLY RETURNS



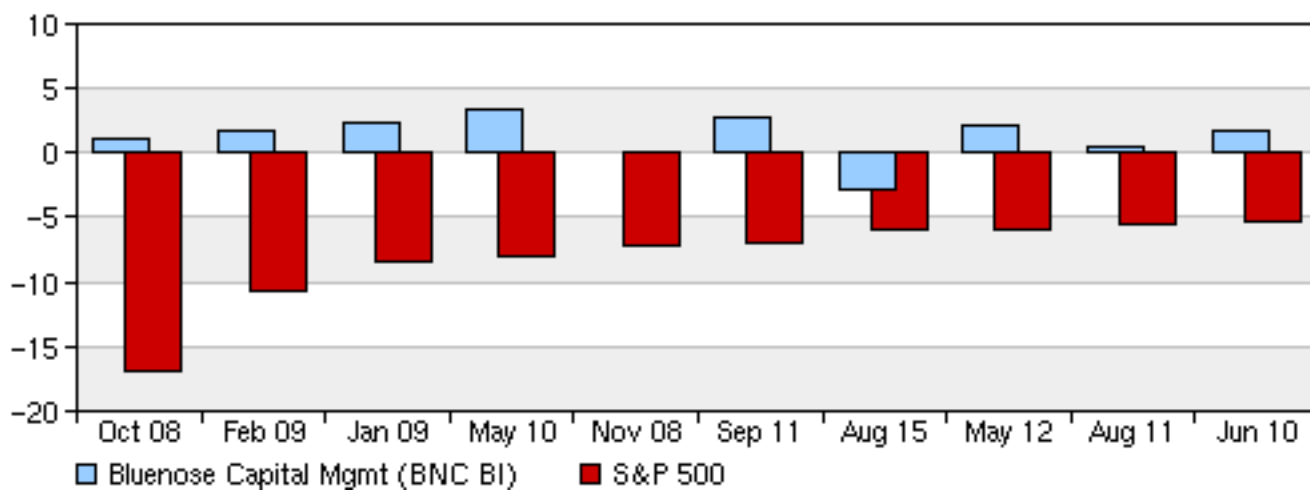
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UP CAPTURE VS S&P 500



DOWN CAPTURE VS S&P 500



LAST 48 MONTHS OF PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2016	-1.15												-1.15%
2015	-0.86	1.86	2.30	1.01	0.54	2.31	2.19	-2.81	1.79	-3.55	2.25	-2.76	4.06%
2014	4.31	-1.69	4.84	1.45	1.52	1.28	-3.13	5.64	1.45	-12.08	2.81	2.07	7.42%
2013	-0.29	1.26	0.69	-14.32	0.22	1.78	0.94	1.15	-5.42	1.04	-2.33	10.29	-6.61%
2012		1.17	-0.53	1.74	2.10	-0.90	1.67	1.19	1.03	1.66	1.55	0.66	12.92%

ASSETS UNDER MANAGEMENT FOR THE LAST 48 MONTHS (\$ MILLIONS)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2016	3.91											
2015	4.63	4.27	4.2	5	4.82	4.95	5.1	4.63	4.75	4.22	4.22	4.01
2014	5.98	6.11	6.08	5.47	5.67	5.52	5.4	5.4	6.09	5.3	5.3	4.9
2013	9.73	10.4	10.84	9.56	8	7.52	6.83	6.77	6.13	5.74	5.55	5.87
2012		2.75	3.48	4.67	5.4	6.45	3.9	4.3	5.08	6.23	7.13	8.22

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TRADING METHOD

BLUENOSE CAPITAL MANAGEMENT, LLC will take advantage of the financial markets using diversified strategies. Some of these strategies involve the selling of time (calls and puts) on stock indices or other suitable commodities. At times we may purchase calls and puts to reduce margin or to take advantage of what we believe will be a profitable trade based on market conditions. We look for investment opportunities trying to capitalize on the fear and greed of the average investor. Bluenose Capital Management, LLC will follow a long-term plan for portfolio growth and protection. There are times when Bluenose Capital Management, LLC is not in the markets at all and others when we are fully invested. At present, the main strategy that best meets Bluenose Capital Management, LLC criteria for effective growth to risk management is one that focuses on the writing (selling) of options using futures contracts of indices and other commodities. We currently offer three programs, BNC EI, BNC BI and BNC CL.

BNC BI uses full contract markets. There is no guarantee that past performance will be the same as future performance. There is no guarantee that we will achieve the goals we have set for the programs in the future.

KEY PRINCIPALS - BIO

ROB MCLALLEN, III is Managing Director of Bluenose Capital Management, LLC. Mr. McLallen became a principal of the firm in February 2010. Mr. McLallen earned his BBA with a concentration in finance from The College of William and Mary and has over 20 years of experience in financial services. Mr. McLallen has held positions as managing member of Castlemaine Partners, LLC, a Virginia registered investment advisor. From August 2001 through December 2009, he served as managing member and principal of Hyperion Capital Management, LLC, the general partner of hedge fund Hyperion Capital Partners, LP. From March 1999 through August 2001, Mr. McLallen was a Financial Advisor with UBS PaineWebber in Vienna, Virginia. While at UBS Paine Webber, Mr. McLallen was responsible for assisting clients in planning and investing for significant future events, such as retirement and college education. He was further responsible for building and preserving clients' wealth through proper asset allocation, investment selection, and planning. From February 1995 through March 1999, he was a Financial Advisor at Merrill Lynch in Vienna, Virginia.

JOSEPH NATOLI is Managing Director of Bluenose Capital Management, LLC. Mr. Natoli became a principal of the firm on April 13, 2010 and an associated person on April 27, 2010. Mr. Natoli earned his MBA from George Washington University. Mr. Natoli began working for Chesapeake Investment Services, an introducing broker in July of 1998. In November of 2000 he became registered as an Associated Person of Chesapeake Investment and became the Trading Desk Manager, responsible for 20 million dollars in client assets. In his role as Trading Desk Manager he was responsible for advising clients on option strategies, placing discretionary trades and for executing the trading strategies including the selling of options on the S&P 500 Futures contract as well as many other commodities such as crude oil, gold and silver. Mr. Natoli was also responsible for going long or short other commodities such as wheat, soybeans and cotton. Mr. Natoli was constantly evaluating the commodity markets in relationship with the clients existing positions and determining if modifications were required as well as observing over 20 different markets looking for opportunities. This was accomplished through a combination of technical analysis and fundamental analysis. Mr. Natoli left the firm in May of 2003 and was withdrawn as an associated person of Chesapeake Investment Services on September 30, 2003. Upon leaving Chesapeake, Mr. Natoli engaged in trading for his personal account until becoming a Principal of Zephyr Asset Management, a commodity trading advisor, on September 15, 2004. On September 17, 2004, Mr. Natoli became an associated person with Zephyr Asset Management. Zephyr Asset Management was closed in October 2007 and Mr. Natoli withdrew on November 22, 2009 as an associated person and principal. From November 2009 until February, 2010, Mr. Natoli was primarily engaged in personal trading and preparing for the launch of Bluenose Capital Management, LLC. In February 2010, Mr. Natoli and Rob McLallen, formed Bluenose Capital Management, LLC. Mr. Natoli became a Principal of Bluenose Capital Management, LLC on April 13, 2010 and an associated person on April 27, 2010.

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ADVISOR, INVESTMENT, OR INFORMATION DISCLAIMER

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- * The funds represent speculative investments and involve a high degree of risk. An investor could lose all or a substantial portion of his or her investment.
- * Any investment in the funds should be discretionary capital set aside strictly for speculative purposes.
- * An investment in a fund is not suitable for all investors.
- * The funds can be leveraged and a fund's performance can be volatile.
- * Some funds may use a single advisor or employ a single strategy, which could mean a lack of diversification
- * Some funds may execute a substantial portion of trades on foreign exchanges, which could mean higher risk.
- * An investment in the funds may be illiquid and there are significant restrictions on transferring interests in a fund. There is no secondary market for an investor's investment in a fund and none is expected to develop.
- * A fund's fees and expenses - which may be substantial regardless of any positive return - will offset the fund's trading profits.
- * Some funds may involve complex tax structures and delays in distributing important tax information.
- * This summary is not a complete list of the risks and other important disclosures involved in investing in the funds and is subject to the more complete disclosures contained in the fund's respective offering documents, which should be reviewed carefully.
- * All performance information is believed to be Net All Fees unless otherwise specifically noted.

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