

MATERIAL CONFLICTS OF INTEREST DISCLOSURE

The purpose of this document is to provide you with information about some of the material conflicts of interest that may arise between you and MJ Nugent & Co. Inc. (“MJ Nugent”) in connection with MJ Nugent performing services for you with respect to futures, options on futures, retail spot foreign exchange, or other commodity derivatives. Conflicts of interests can arise in particular when MJ Nugent has an economic or other incentive to act, or persuade you to act, in a way that favors MJ Nugent or its principals or associated persons.

As an independent introducing broker, MJ Nugent maintains separate clearing agreements with multiple Futures Commission Merchants (“FCMs”). MJ Nugent may establish different commission, clearing and execution costs with the FCMs. It may be financially advantageous for MJ Nugent to recommend one particular FCM over another FCM. In addition, MJ Nugent may not maintain an existing clearing agreement with an FCM of your choice and therefore may have an incentive to persuade you to use an FCM that MJ Nugent has a clearing relationship with.

MJ Nugent and its principals and associated persons may trade proprietary accounts on their own behalf. These accounts may be charged lower commission rates as compared to commission rates established between you and your FCM. Furthermore, these proprietary accounts may take positions that are opposite from you or may compete with you for positions.

At times, FCMs may have arrangements with introducing brokers that provide volume discounts or credits. MJ Nugent may participate in and obtain financial benefits from such incentive programs.

MJ Nugent or its affiliates or its principals or associated persons may own stock in, or have some other form of ownership interest in, one or more U.S. or foreign Trading Facilities or Clearing Houses where your derivatives transactions may be executed and/or cleared. As a result, MJ Nugent or its affiliates or its principals or associated persons may receive financial or other benefits related to their ownership interest when derivatives contracts are executed on a given Trading Facility or cleared through a given Clearing House. As such, MJ Nugent may have an incentive to cause derivative contracts to be executed on that Trading Facility or cleared by that Clearing House.

MJ Nugent may enter into soft dollar arrangements with a service provider whereby MJ Nugent receives a benefit without paying in hard dollars. For example, MJ Nugent may receive research from a particular FCM or may be provided with physical office space to operate and conduct business, solely for introducing accounts to that particular FCM vs. another FCM. MJ Nugent would have an incentive to introduce your account to that particular FCM even though the possibility could exist that a different FCM may be more suitable for you.

MJ Nugent may offer research materials or trade recommendations to customers as well as the general public. Such research reports or trade recommendations may be delivered via newsletters, television, radio, newspapers, magazines, website, webinars, etc. Information contained in the research reports or trade recommendations may be inconsistent with, or may be contrary to your positions, which may have been the subject of advice previously provided by MJ Nugent or its associated persons to you. Furthermore, based upon timing and purpose, MJ Nugent and/or its associated persons or principals may already hold positions that are contrary or opposite to the advice provided for in the research report or trade recommendations, or may subsequently enter into positions that are contrary or opposite to the advice provided for in the research reports or trade recommendations.

Principals and/or Associated Persons of MJ Nugent & Co. may hold additional registrations and may need to devote their time amongst several activities.

MJ Nugent and its Associated Persons may fee share with third party Commodity Trading Advisors or Commodity Pool Operators and therefore could have an incentive to place you with a particular CTA or CPO based solely upon the sharing arrangement.

