



MANAGED ACCOUNT OVERVIEW

Pooled Fund Investment Objective and Strategy Summary First Quarter, 2017

Knockout Forex® - Forex Managed Fund

This Managed Account Series Overview contains information you should know before investing, including information about risks. Please read it before you invest and keep it for future reference. Regulating bodies in the jurisdiction of the reader have not approved or disapproved the availability of this offering or the adequacy of this disclosure or statements made herein. Trading foreign exchange on margin carries a high level of risk, and may not be suitable for all investors. The possibility exists that you could sustain a loss in excess of your deposited funds and therefore, you should not speculate with capital that you cannot afford to lose. Before deciding to trade the products offered by Knockout Limited you should carefully consider your objectives, financial situation, needs and level of experience. You should be aware of all the risks associated with trading on margin. Knockout Limited provides general advice that does not take into account your objectives, financial situation, or needs. The content of this Website must not be construed as personal advice. Knockout Limited recommends you seek advice from a separate financial advisor if you have any doubts.

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SUMMARY OVERVIEW AND INVESTMENT OBJECTIVE

Introduction

Knockout Forex® has developed a variety of proprietary automated trading strategies based on algorithmic trading logic that seeks trading opportunities in a variety of market conditions and on a variety of currency pairs in the spot Forex markets. The Knockout Forex® Managed Account seeks to diversify funds across multiple currency pairs, as well as across multiple strategy types in order to identify opportunities in a variety of price patterns, fluctuations in volatility and changes in market momentum as these variables materialize in real time. This allows our proven, time tested strategies to work together to generate more consistent returns across the entire portfolio regardless of changes in market conditions.

Key Facts About Knockout Forex Automated Strategy Portfolio

The underlying logic in all of our strategies is void of any bias to market direction, focusing instead on allowing the market to reveal its direction in various time frames and identifying opportunities within the market's prevailing direction. This is achieved through a comprehensive layering of algorithms which automate the process of monitoring the most prevalent market indicators in the most heavily traded currency pairs. Our algorithms analyze currency specific volatility, market momentum, and a variety of high-probability technical indicators and cross currency correlation models to determine entry points as we build positions through a sequence of strategic trades in the spot forex markets. Each entry algorithm focuses on short term price action within longer term trends and seeks potential entry points within the broader identified market pattern.

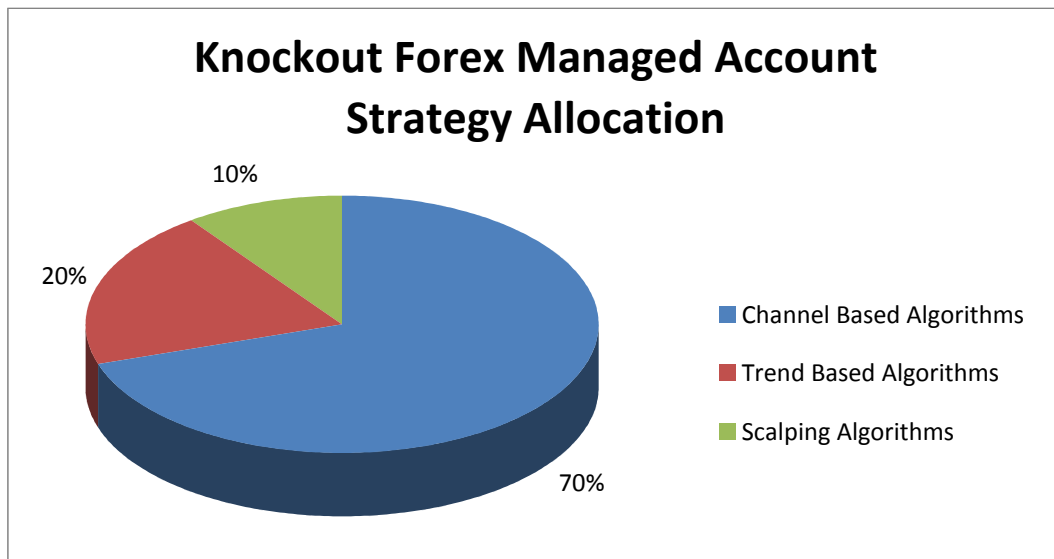
The Knockout Forex® Managed Account also incorporates a heavily structured series of cash management, margin management and risk assessment algorithms, which allow our strategies to carefully and strategically enter and exit the market with predetermined parameters based on correlations between our overall risk criteria and profit objectives. Our algorithms are designed to trade in sequences, with predetermined trailing profit stops on each individual trade, complex hedging processes for reduced exposure on losing trades and advanced overall sequence management to allow the strategy to capture profits when an overall profit target is met for a sequence of trades.



The combined structure of our algorithms and the pre-set functions and parameters inherent in our automated strategies allow for a measured, conservative exposure of trading capital, and resilient adaptation to fluctuations in market conditions to maximize profits, while conserving the amount of equity required for our conservative margin requirements. This approach allows us to generate profits from ever changing market conditions.

Strategy Objectives

The Knockout Forex® Managed Account Offering maintains the objective of steady growth with a focus on reducing periods of drawdown. This achieved through diversification of the portfolio with funds allocated across numerous automated algorithmic strategies. The greatest concentration of funds is allocated to algorithms focused on channel based price action and smaller percentages of funds allocated to the more aggressive trend-following, position-based trade sequences and short terms scalping sequences. The following chart illustrates a typical average capital allocation structure.

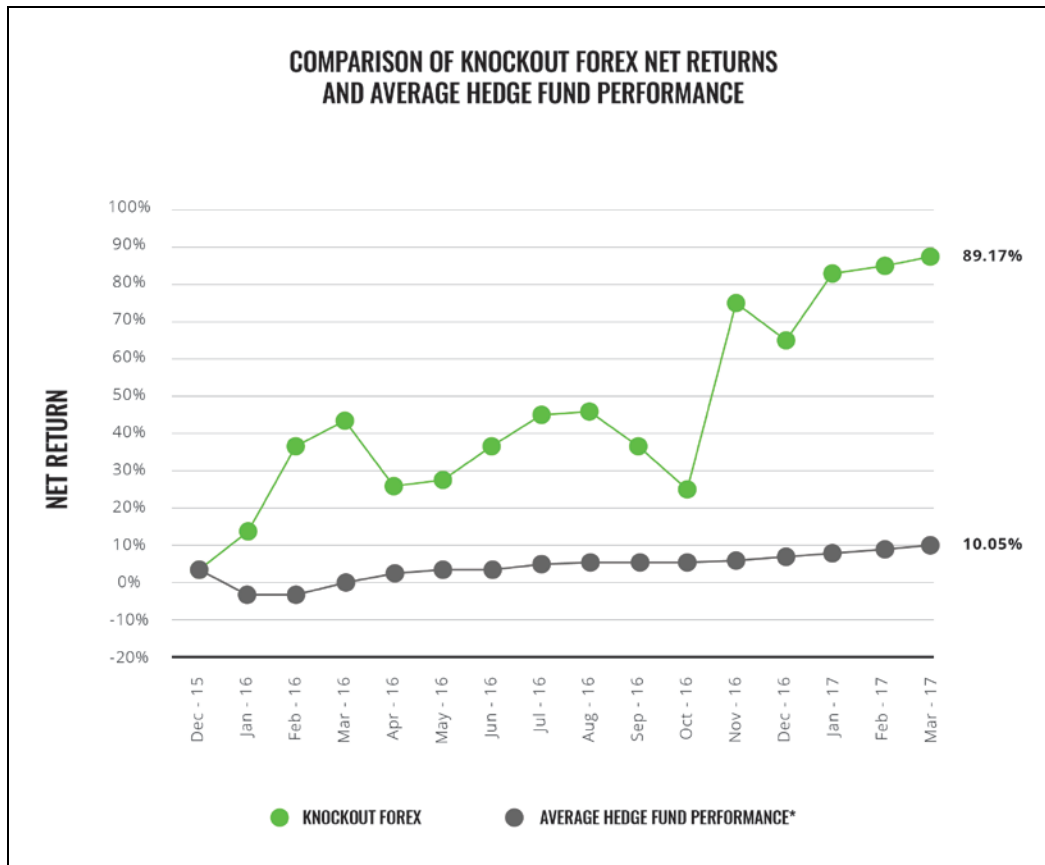


Each one of our algorithmically traded sequences is seeking to achieve its own objectives, working within pre-designed parameters, however, the entire portfolio is positioned to capitalize in any trading environment. Our overall objective is to achieve average annual performance in excess of 36.0% equity growth.



PERFORMANCE INFORMATION

The information presented herein shows you how the Fund's performance has varied month by month and provides some indication of the risks of investing in the Fund. The following chart illustrates the fund performance, versus the average hedge fund performance over the same period.



* Note: Data provided by the [Preqin Global Hedge Fund Reports \(www.preqin.com\)](http://www.preqin.com)

The Knockout Forex Managed fund seeks to aggressively pursue opportunities in the Spot Forex market. Because our algorithms are designed to reduce risk by actively managing our equity and margin usage, the fund may focus on finding opportunities provided by currency pairs that have higher volatility and larger daily ranges in price action creating greater potential for overall fund profitability.



FEES AND EXPENSES OF THE FUND

The following table describes the fees and expenses that you may pay if you participate in the Knockout Forex Managed Account Fund. Please note that fees are based on profit achieved over profit benchmarks noted herein and are collected directly from profits. Given our strong past performance history, Knockout Forex has the confidence to accept NO performance fees on our clients' monthly profits if the profits do not exceed 3.0% over the last reported high-water mark.

Monthly profits in excess of the 3.0% breakpoint (over the previous high-water mark) are split with the client on a 75/25 basis with the client collecting the first 3.0% plus an additional 25% of the profits exceeding the breakpoint and Knockout Forex collecting 75% of the profits exceeding the breakpoint.

Definitions:

High-Water Mark: The highest point in value that the account has achieved since inception as reported at the end of each month of trading.

Breakpoint: The pre-defined performance percentage at which point a previous high water mark has been exceeded to the extent that a performance fee assessment is made.

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Investor Fees (fees paid directly from your investment)

Application Fee(s)	None
Management Fee(s)	None
Distribution and/or Service Fee(s)	None
Account Operation Fee(s)	None
Deposit Fee(s)	None
Withdrawal Fee(s)	None
Interest	None
Performance Fees	75% of <u>Profits</u> Achieved Over a Monthly Performance Breakpoint of 3.0% Over Previous High Water Mark



Example:

This Example is intended to help you understand the calculation of the performance fee if and when monthly performance exceeds the 3.0% monthly benchmark over the previous month's high water mark.

Example of a Potential Monthly Performance Fee Structure

Client's Deposit	\$100,000
Monthly Performance (%)*	10.0%
Amount Exceeding 3.0% Monthly Benchmark	7.0%
Monthly Performance \$	\$10,000
Amount Exceeding 3.0% Monthly Benchmark	7.0%
Amount Due to Client (3.0% + 25% of Amount Exceeding Benchmark)	\$4,750

Note: Example assumes a monthly performance in excess of 3.0% over previous month's High Water Mark

Note: Performance figure is used for example purposes only and is not a projection or guarantee of future performance.



Principal Risks of Investing In the Fund

Risk is inherent in all investing. The value of your investment in the Fund, as well as the amount of return you receive on your investment, may fluctuate significantly from day to day and over time. You may lose part or all of your investment in the Fund or your investment may not perform as well as other similar investments. The following is a summary description of principal risks of investing in the Fund.

1. **Leverage Risk** — All transactions made within the fund employ various degrees of economic leverage. These transactions may expose the Fund to greater risk. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations. Increases and decreases in the value of the Fund's portfolio are magnified through the Fund's use of leverage.
2. **Liquidity Risk** — Liquidity risk exists when particular investments are difficult to purchase or sell. To the extent that the Fund's principal investment strategies involve trading Foreign Currency contracts, the Fund will tend to have the greatest exposure to liquidity risk during periods of high volatility. Liquidity risk may be the result of, among other things, the reduced number and capacity of traditional market participants to make a market or the lack of an active market. Liquid investments may become illiquid or less liquid after purchase by the Fund, particularly during periods of market turmoil. In addition, when there is a lack of liquidity in the market for certain securities, the Fund, due to limitations on illiquid investments, may be subject to purchase and sale restrictions.
3. **Market Risk and Selection Risk** — Market risk is the risk that one or more markets in which the Fund invests will become reduced in value, including the possibility that the markets will sharply and unpredictably reverse against an open position held by the fund. This may result in a loss to the fund and therefore you may lose money in such events.
4. **Technology Failure Risk** — All transactions made within the fund involve automated transmission of orders to the market for execution. The use of technology to conduct trading incorporates a substantial amount of both hardware and software components that have the potential to fail and thus impact the ability to accurately and effectively place trades. While every effort is made to ensure the proper functionality of both software and hardware components, the investor shares the risk of loss in the event of a technological malfunction.
5. **Misquotes and Slippage Risks** — Misquotes can occur when a market participant (a bank or large trading institution) submits a trade order at a price that is not consistent with current pricing and deviates substantially from market orders. Slippage occurs when the market moves at speeds that outpace the ability of liquidity to fill an order at the requested price and the trade is placed at a price that is well away from the traders' intended price. Occurrences such as these contribute to risk of loss to the investor.

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