

# AURORA FUTURES CORP.

DISCLOSURE DOCUMENT

## DIVERSIFIED FUTURES DAY TRADING PROGRAM

A New Jersey Corporation registered under  
The Commodity Exchange Act, as amended  
As a Commodity Trading Advisor

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

THE INFORMATION OF THIS DISCLOSURE DOCUMENT AT ANY TIME DOES NOT  
IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY  
TIME SUBSEQUENT TO THE DATE SHOWN BELOW

*No person is authorized by Aurora Futures Corp. to give any information or to make any  
representations that are not contained in this Disclosure Document*

**Disclosure Document Dated May 15, 2009**

## **RISK DISCLOSURE STATEMENT**

**THE RISK OF LOSS IN TRADING COMMODITIES CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IN CONSIDERING WHETHER TO TRADE OR TO AUTHORIZE SOMEONE ELSE TO TRADE FOR YOU, YOU SHOULD BE AWARE OF THE FOLLOWING:**

**IF YOU PURCHASE A COMMODITY OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE PREMIUM AND OF ALL TRANSACTION COSTS.**

**IF YOU PURCHASE OR SELL A COMMODITY FUTURE OR SELL A COMMODITY OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS AND ANY ADDITIONAL FUNDS THAT YOU DEPOSIT WITH YOUR BROKER TO ESTABLISH OR MAINTAIN YOUR POSITION. IF THE MARKET MOVES AGAINST YOUR POSITION, YOU MAY BE CALLED UPON BY YOUR BROKER TO DEPOSIT A SUBSTANTIAL AMOUNT OF ADDITIONAL MARGIN FUNDS, ON SHORT NOTICE, IN ORDER TO MAINTAIN YOUR POSITION. IF YOU DO NOT PROVIDE THE REQUESTED FUNDS WITHIN THE PRESCRIBED TIME, YOUR POSITION MAY BE LIQUIDATED AT A LOSS, AND YOU WILL BE LIABLE FOR ANY RESULTING DEFICIT IN YOUR ACCOUNT.**

**UNDER CERTAIN MARKET CONDITIONS, YOU MAY FIND IT DIFFICULT OR IMPOSSIBLE TO LIQUIDATE A POSITION. THIS CAN OCCUR, FOR EXAMPLE, WHEN THE MARKET MAKES A "LIMIT MOVE."**

**THE PLACEMENT OF CONTINGENT ORDERS BY YOU OR YOUR TRADING ADVISOR, SUCH AS 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 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 7, A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR.**

**THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGE 5.**

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

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## **I. The Trading Advisor**

Aurora Futures Corp. (the Advisor) is organized under the laws of the State of New Jersey to provide advisory services conducted by its sole shareholder, director and officer, David J. Seibel. The Company's address and contact information is as follows:

**Aurora Futures Corp.**  
14 Tindall Road  
Middletown, NJ 07748  
Voice: 732-917-0221  
Fax: 732-706-7601  
email: [afc@aurorafutures.com](mailto:afc@aurorafutures.com)

All business records are kept at Aurora Futures Corp. principal place of business. Aurora Futures Corp. intends to use this document starting May 15, 2009.

Aurora Futures Corp. has been registered with the Commodity Futures Trading Commission (CFTC) as a commodity trading advisor and a member of the National Futures Association (NFA) since January 29, 2004.

David J. Seibel is the President and sole principal of Aurora Futures Corp. There has never been any material administrative, civil, or criminal proceedings against Aurora Futures Corp. or David J Seibel.

## **II. Business Background**

Mr. Seibel is a graduate of Worcester Polytechnic Institute (BS 1985) and the Fordham School of Business (MBA 1991).

Mr. Seibel has been President of Aurora Futures Corp. a company he formed, since its formation in January, 2000. At this time, Aurora Futures Corp and Mr. Seibel were involved with the design and development of various technical trading systems for individual clients.

In December 2003, Mr. Seibel began the process of changing the focus of the business in order to enable him to manage client funds using the trading strategies he had developed. On December 4, 2003, Mr. Seibel registered as an Associated Person (AP) with the CFTC and on January 26, 2004 as a Branch Manager of Patrick Houlmiere an Introducing Broker. These registrations were subsequently changed to include CBI LLC, an Introducing Broker (a new company of Patrick Houlmiere) on January 2, 2004 and January 26, 2004 respectfully.

After further research into the regulatory requirements of this venture, Mr. Seibel decided to operate under Aurora Futures Corp. Subsequently, on January 27 & 28, 2004 Associated Person and Branch Manager registrations were withdrawn from Patrick Houlmiere and CBI LLC respectively. On January 29, 2004, Aurora Futures Corp. was registered with the CFTC as a Commodity Trading Advisor (CTA) and Mr. Seibel as an

Associated Person. Mr. Seibel was listed as Principal of Aurora Futures Corp on January 27, 2004.

Trading under the CTA commenced in January 2005. The CTA was originally formed to trade a strategy in the mini equity indicies (S&P, NASDAQ, & Dow). Prior to the inception of trading and opening accounts, the volatility in those markets lessened, reducing the potential profitability of the program. It was at this time that the focus was shifted to the off-exchange forex markets. The remainder of 2004 was spent preparing the strategies and technology needed to trade the forex program.

Mr. Seibel has been an associate member of the National Futures Association since December 2003. Past performance of trading by Aurora Futures Corp. is included beginning on page 8 of this document.

This program will be traded exclusively through Vision Financial Markets (Vision) and introducing brokers of Vision. All accounts must be opened through Vision or one of its IB's.

### **III. Trading Program**

**The Program:** The Aurora Diversified Day Trading Program was designed and developed specifically for the customers of Vision Financial Markets. The program trades a diversified basket of commodities on an intraday basis. Trading is limited to the highest volume period of the trading session and all trades are closed by the end of the trading day leaving NO overnight exposure to the account.

**Objective:** The objective of the trading program is to profit from trends that take place in futures contracts regardless of direction. The trading vehicle for the program may be any futures contracts traded on futures exchanges located in the United States with the exception of stock index futures. There will be no options or forex trading in this program.

The primary objective of the program is the capital appreciation of the investor's assets through speculation in futures contracts. No assurance or guarantee can be made that this objective will be met. Only Investors who can assume the significant risk of commodities futures trading should consider an investment in this trading program. The trading advisor will attempt to meet these objectives through the use of a proprietary trading model.

**Methodology:** Aurora Futures Corp. uses a proprietary trading methodology that was developed by David J. Seibel, President of Aurora Futures Corp. Due to its proprietary and confidential nature, the discussion that follows is only a general overview and not intended to be exhaustive.

The methodology used for this trading program can be considered as an intraday trend breakout system. It looks for points in the market where a breakout is likely to occur and a trend begin. A buy or sell order is then placed above or below the market to enter when

the point of the anticipated breakout is reached. Once in a trade the overall goal is to quickly exit those positions that prove to be incorrect and maintain those that are profitable. The methodology is also designed with proprietary filters that prevent or limit trading when the risk is too great or the likelihood of choppy trading exists.

The trading program differs from traditional day trading programs in that the amount of trading that can be done on a daily basis is limited. Many day trading programs trade a large number of trades looking for small profits. The Aurora Diversified Day Trading Program is a trend following program which executes a relatively low number of trades per contract per day (usually 0 – 2) looking for larger profits.

The trading strategies employed by Aurora Futures Corp. may change from time to time. These changes may be due to technical factors in the market as well as on-going research and development that is aimed at improved returns to the Investor. Changes may include, but are not limited to; technical system parameters, markets traded, or cash management methodology. Investors will be notified of any material changes to the offered program.

#### **IV. Account Size/Leverage**

The minimum investment in the program is \$100,000. The advisor, under certain circumstances, and at its' sole discretion, may accept smaller accounts.

The leverage used in each account will vary based on the contracts traded as well as the risk level desired by the account holder. Generally leverage will be limited to a ratio of 30% margin to nominal account size. In the event that the investor deposits or withdrawals funds from his/her account, the position size will be adjusted prior to the following trading day.

#### **V. Brokerage Arrangement**

This program will be traded exclusively through Vision Financial Markets (Vision) and introducing brokers of Vision. All accounts must be opened through Vision or any of its IB's.

In the past five years there has been no material administrative, civil, or criminal proceedings against Vision or any of its principals.

#### **VI. Order Entry and Allocation**

Aurora Futures Corp. will generally place a block trade for all accounts trading under the program including any proprietary accounts. This ensures that all accounts will receive the same execution price. In the event of slippage, or a trade being executed at multiple prices, all accounts will receive a fill price equal to the average price of the executed trades.

## **VII. Conflicts of Interest**

**Proprietary Trading:** The advisor may, at his discretion, trade his own proprietary account. Although the advisor will generally trade in parallel with customer accounts, due to differences in leverage, performance may differ significantly from customer performance. Aurora Futures Corp. will never intentionally favor a proprietary account over a client account, nor will the advisor knowingly permit a proprietary account to trade ahead of a client account. Since all orders, including those for proprietary accounts, will be traded as a block order, all accounts will receive the same fill price. Aurora Futures Corp views this trading activity as proprietary information. In the rare event that a customer, with due cause, has reason to believe that the trading activity of Aurora Futures Corp. has in some way effected their trading results, Aurora Futures Corp. will make the appropriate trading records available for inspection.

**Trading Errors:** Though Aurora Futures Corp. will attempt to correct trading errors as soon as they are discovered; it will not be responsible for poor executions or trading errors committed by brokers or by it. All errors, except those resulting from willful misconduct or fraud, will be considered a cost of doing business.

**Aurora Intraday Index, LLC:** Mr. Seibel started and has been the Trading Advisor for Aurora Intraday Index, LLC (AII) since its inception in February 2004. AII was initially established as a commodity pool exempt from registration under CFTC regulation 4.13(a)(2). Shortly after being established AII changed the focus of its trading to off-exchange traded foreign currency contracts. Since this time and to the present AII trades only off-exchange traded foreign currency contracts. The trading performance for Aurora Intraday Index, LLC is included in the results beginning on page 10. Trading in one program will have no effect on the other. In addition the fee structure charged to the participants in each program by Aurora Futures Corp is similar. No conflict of interest exists between the entities.

### **Aurora Intraday Futures Program:**

The Intraday Futures program currently being operated by Aurora trades a similar methodology to the offered program. Differences between the two programs exist in area of contracts traded, entry/exit methodology, and risk management techniques. These differences ensure the two programs will not be directly competing against each other for trades. Since all trading is electronic and automated all trades are executed simultaneously. Should the two programs execute the same trade the execution price for the two programs should be similar. The electronic and automated trading will ensure that Aurora will not knowingly favor one program over the other.

**Marketing Agreements:** Aurora Futures Corp. will from time-to-time enter into marketing agreements with third party firms including, but not limited to the brokers of Aurora Futures Corp. In exchange for marketing services, Aurora Futures Corp will pay a portion of the fees received from its customers. The existence of a marketing agreement will in no way affect the fees paid by the account holder to Aurora.

**Trading Commissions:** Should Aurora Futures Corp participate in the brokerage commission a potential conflict of interest would occur whereby the incentive to overtrade the program would exist. At this time Aurora has no plans to participate in trading commissions.

Other than stated above, no other benefits, direct or indirect, will be received from the customers FCM.

## **VIII. RISK FACTORS**

In addition to the risks inherent in trading commodity interests pursuant to instructions already provided herein by Aurora Futures Corp, there exist additional risk factors, including those described below, in connection with a customer participating in this program. Prospective customers should consider all of the risk factors described below and elsewhere in this Disclosure Document before participating in any Program.

**Commodity trading is speculative and volatile.** Commodity interest prices are highly volatile. Price movements for commodity interests are influenced by, among other things: changing supply and demand relationships; weather; agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments; United States and foreign political and economic events and policies; changes in national and international interest rates and rates of inflation; currency devaluations and revaluations; and emotions of the marketplace. None of these factors can be controlled by Aurora Futures Corp. and no assurance can be given that Aurora Futures Corp's advice will result in profitable trades for a participating customer or that a customer will not incur substantial losses.

**Commodity trading is highly leveraged.** The low margin deposits normally required in commodity interest trading (typically 2% to 15% of the value of the contract purchase or sold) permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses to the investor. For example, if at the time of purchase 10% of the price of a futures contract were deposited as margin, a 10% decrease in the price of the contract would, if the contract were then closed out, result in a total loss of the margin deposit before any deductions for brokerage commissions. A decrease of more than 10% would result in a loss of more than the total margin deposit. Thus, like other leveraged investments, any trade may result in losses in excess of the amount invested.

When the market value of a particular open position changes to a point where the margin on deposit in a participating customer's account does not satisfy the applicable maintenance margin requirement imposed by the FCM, the customer, and not Aurora Futures Corp, will receive a margin call from the FCM. If the customer does not satisfy the margin call within a reasonable time (which may be as brief as a few hours) the FCM will close out the customer's position.

**Commodity trading may be illiquid.** Most United States commodity exchanges limit price fluctuations in certain commodity interest prices during a single day by means of "daily price fluctuation limits" or "daily limits." The daily limit, which is set by most

exchanges for all but a portion of the expiration month, imposes a floor and a ceiling on the prices at which a trade may be executed, as measured from the last trading day's close. While these limits were put in place to lessen margin exposure, they may have certain negative consequences for a customer's trading. For example, once the price of a particular contract has increased or decreased by an amount equal to the daily limit, thereby producing a "limit-up" or "limit-down" market, positions in the contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Contract prices in various commodities have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent Aurora Futures Corp. from promptly liquidating unfavorable positions and subject a participating customer to substantial losses that could exceed the margin initially committed to such trades.

**Participating customer's FCM may fail.** Under CFTC regulations, FCM's are required to maintain customer's assets in a segregated account. If a customer's FCM fails to do so, the customer may be subject to risk of loss of funds in the event of its bankruptcy. Even if such funds are properly segregated, the customer may still be subject to a risk of a loss of his funds on deposit with the FCM should another customer of the FCM or the FCM itself fail to satisfy deficiencies in such other customer's accounts. Bankruptcy law applicable to all U.S. futures brokers requires that, in the event of the bankruptcy of such a broker, all property held by the broker, including certain property specifically traceable to the customer, will be returned, transferred or distributed to the broker's customers only to the extent of each customer's pro-rata share of all property available for distribution to customers. If any futures broker retained by the customer were to become bankrupt, it is possible that the customer would be able to recover none or only a portion of its assets held by such futures broker.

**Electronic Trading.** Aurora Futures Corp. places trades for this program using an electronic order routing system. Electronic trading, while more efficient than traditional order placement methods, exposes the program to the risks associated with the system including the failure of hardware or software components. The result of such failure can lead to order execution problems that can result in losses. Aurora Futures Corp has procedures and backups in place to mitigate the effect of any system outage. However, Aurora Futures Corp will not be responsible for any losses that may be incurred due to failures of the electronic trading system or the failure of any other technology.

**Execution Fees.** Due to the day trading nature of the program, a larger number of trades may be executed in this program as compared to programs that are longer term in nature. The larger number of trades executed will lead to a proportionally higher amount of commissions and fees paid by the customer. While these costs are included in the performance figures, the customer should be aware of the risk to performance of these costs.

**Sector (Concentration) Risk.** The program looks to trade those commodities that have both the liquidity and the daily range required to enable profitability. At times, this may lead to a concentration of trades in one or more sectors (i.e. energies, financials, grains, etc.). The program mitigates this risk by trading in multiple time frames however this

increased concentration could lead to a larger risk should trading conditions in the sector become unprofitable.

## **IX. FEES**

**Brokerage Commissions:** Brokerage commissions are negotiated between the account holder and Vision. The maximum commission which may be charged under the program is \$20.00 per round-turn inclusive of fees. The Aurora Futures Corp does not anticipate participation the brokerage commission but reserves the right to do so in the future. In this event the customers of the effected broker will be notified in advance.

**Trade Execution Fee:** Aurora will be paid a fee of up to \$2.00 per round-turn to cover the cost of the automated execution of the program. This fee will be paid to directly to Aurora by Vision on a monthly basis.

**Definition of Net Assets and New Trading Profits:** “Net Assets” or “Net Asset Value” of a client’s account as of any date shall mean the total assets as of such client’s account including all cash and cash equivalents, the market value of all open positions, accrued interest, plus capital committed by a client but not actually deposited in the account, minus all accrued liabilities (including management, and incentive fees) if any, of the client’s account as of such date. The market value of a position shall be that price quoted by the exchange as the closing (mark-to-market) price as of the close of each trading day.

“New Net Profits” with regard to the Net Assets in a client’s account will mean the appreciation in the Net Assets relating to such client’s account after deducting additions and adding back withdrawals made by the client, if any, relating to such Net Assets, after deduction of Aurora’s management fee and before incentive fees, if any, relating to such Net Assets. The term New Net Profits shall include interest income earned or accrued on such Net Assets. Net New Profits will be determined from the end of the last month in which an incentive fee was earned by Aurora Futures Corp, or if no incentive fee has been earned by previously by Aurora Futures Corp with respect to that account, from the date that the account began to receive trading advice from Aurora Futures Corp.

**Management Fees:** Aurora Futures Corp will receive a management fee of .0833% (1% annually) of an account’s Net Asset Value (as defined above) as of the end of each month, determined in accordance with the United States generally accepted accounting principles, including all cash and cash equivalents, accrued interest income, capital committed by a client but not actually deposited in the account and the market value of all open positions. The management fee will be charged monthly. The management fee payable to Aurora Futures Corp for the month in which the account commences or terminates trading operations will be based on the number of trading days in the month in which the account has been active. Where an account is partially-funded, the monthly management fee shall be taken as a percentage of the account’s nominal size, defined as the dollar amount that Aurora Futures Corp and its clients have agreed in writing will determine the level of trading in an account regardless of the actual assets on deposit with the FCM. Therefore partial funding increases the fees as a percentage of actual funds but does not increase the dollar amount of those fees. The Nominal Account Size agreed

upon shall be increased to reflect profits and decreased to reflect losses. Cash additions and cash withdrawals to/from the account will have no impact on Nominal Account Size. Therefore, cash additions and cash withdrawals will increase or decrease the amount of Notional Funds by the amount added or subtracted respectively, but not the Nominal Account Size. Notwithstanding the foregoing, Aurora Futures Corp expressly reserves the right to waive this management fee at its sole discretion.

**Incentive Fees:** At the end of each month, Aurora Futures Corp will receive an incentive fee of 20% of the Net New Profits (as defined above) earned by each client's account during such month (or shorter period beginning on the date of account opening and ending at the end of such month).

The amount of the incentive fee is determined independently with respect to each month and the amount of any such fee paid is not affected by subsequent losses. Any net losses from previous month allocated to a client's account will be "carried forward," so that Aurora Futures Corp will receive an incentive fee only to the extent that "new" trading profits are generated. If the Advisory Agreement with a client is terminated at a time that is not the end of a month, the termination date will be deemed to be the end of a month for purposes of calculating Aurora's incentive fee.

If Net New Profits are positive at the time of a withdrawal, the incentive fees accrued on that portion of the New Trading Profits attributed to the withdrawal funds shall become due. If the account has a loss carry forward when a portion of the equity is withdrawn from the account, whether at month-end or another date, such loss is proportionately reduced for the purposes of determining subsequent net profits.

Management and incentive fees will be deducted directly from the client's account. The client agrees to authorize its FCM to remit payment of management and incentive fees directly to Aurora Futures Corp. In addition, management fees are determined, in the case of partially funded accounts, as a percentage of the nominal account size (i.e.: the total "actual" funds which would be required were the account fully funded). For example, if 2 to 1 leverage were contemplated, a 2% annual management fee based upon the nominal account size would be 4% of the actual funds deposited.

## **X. Special Disclosure for Notional Funded Accounts**

Please refer to the separate Notional Funding Agreement for a full discussion on the disclosures and treatment of additions and withdrawals in a notionally funded account.

Notional funds in a client's account are funds not actually held in the account, but which a client has committed to the trading activity of the account. Notional funding allows a client to trade the account at a higher level than the cash actually held in the account. Generally, Aurora Futures Corp will accept accounts that trade notional funds, provided that the notional portion is initially less than or equal to the actual cash in an account. In other words, all accounts should have cash equal to at least 50% of the initial nominal account value. The nominal account value equals the total actual cash and other net assets in an account, plus any notional funds.

Management and incentive fees are calculated on the basis of an account’s total nominal account value, which includes notional funds in addition to actual funds. As an example, a 2% annual management fee is equivalent to 4% of actual net assets in an account if an account is 50% funded. The actual percentage the fee represents for a notionally funded account can be obtained using the following formula:

$$A = (\text{Nominal Account Size/Actual Funds}) * N$$

Where:  $A$  = Fee percentage based on actual funds in account

$N$  = Fee percentage of nominal value of account

You should request Aurora Futures Corp to advise you of the amount of cash or other assets (actual funds) which should be deposited to Aurora’s trading program for your account to be considered “fully-funded.” This is the amount upon which Aurora Futures Corp will determine the number of contracts traded in your account and should be an amount sufficient to make it unlikely that any further cash deposits would be required from you over the course of your participation in Aurora’s program. You are reminded that the account size you have agreed to in writing (the “nominal” or “notional” account size) is not the maximum possible loss that your account may experience. You should consult the account statements received from your futures commission merchant in order to determine the actual activity in your account, including profits, losses and current cash equity balance. To the extent that the equity in your account is at any time less than the nominal account size you should be aware of the following:

1. Although your gains and losses, fees and commissions measured in dollars will be the same, they will be greater when expressed as a percentage of account equity.
2. You may receive more frequent and larger margin calls.
3. Notional equity creates additional leverage in an account relative to the cash in such account. This additional leverage results in proportionately greater risk of loss. While the possibility of losing all of the cash in an account is present in all accounts, accounts that contain notional equity have a proportionately greater risk of loss.
4. The disclosures that accompany the performance table may be used to convert the rates-of-return (“ROR”) in the performance table to the corresponding ROR’s for particular partial funding levels.

Actual Rate of Return <sup>1</sup>	Rates of Return Based on Various Funding Levels <sup>2</sup>			
	100% Funded	50% Funded	40% Funded	30% Funded
30%	30%	60%	75%	100%
20%	20%	40%	50%	66.67%
10%	10%	20%	25%	33.33%
0%	0%	0%	0%	0%
-10%	-10%	-20%	-25%	-33.33%
-20%	-20%	-40%	-37.5%	-66.67%

Notes:

1. Represents return based on fully funded account
2. Returns at notional funded levels.

## XI. PERFORMANCE

The following performance data is that of Aurora Foreign Exchange Asset Management Program a program currently run by Aurora Futures Corp that trades exclusively in the off-exchange spot forex market. The results include the trading of Aurora Intraday Index LLC.

### PERFORMANCE CAPSULE

Name of CTA	Aurora Futures Corp.
Name of Program	<b>Aurora Foreign Exchange Asset Management Program</b>
Inception of Trading by CTA:	January 2005
Inception of Trading this program by CTA:	January 2005
# of accts currently traded in this program	12
Total assets traded by CTA	\$2,736,000
Total assets traded by CTA in this program	\$1,615,000
Largest monthly draw-down	-3.34% - March 2006
Worst peak-to-valley draw-down	-6.07% - Feb/Mar 2006

Draw-down: Losses experienced by the trading program over a specific period.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2009 YTD	2008	2007	2006	2005
Annual ROR	2.22%	19.23%	14.57%	43.01%	62.78%

### **Aurora Intraday Futures**

Name of CTA	Aurora Futures Corp.
Name of Program	<b>Aurora Intraday Futures Program</b>
Inception of Trading by CTA:	January 2005
Inception of Trading this program by CTA:	August 2008
# of accts currently traded in this program	9
Total nominal assets traded by CTA	\$2,736,000
Total nominal assets traded by CTA in this program	\$1,121,000
Largest monthly draw-down	-6.52%: 10/08
Worst peak-to-valley draw-down	-12.66%: 10/08 – 4/09

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Month	Rate of Return	
	2009	2008
January	-.88%	
February	-.62%	
March	-2.20%	
April	.52%	
May		
June		
July		
August		1.32%
September		2.87%
October		-6.52%
November		-5.25%
December		2.81%
YTD	-3.16%	-5.09%

## **Aurora Diversified Futures Day Trading Program**

### **– Hypothetical Results**

The Aurora Diversified Day Trading Program is based on the strategies currently being offered to individuals through Aurora Trading Strategies, a trading system vendor, and a division of Aurora Futures Corp. as well as the Aurora Intraday Futures Program.

The results shown below have been compiled using the actual trading activity of the strategies being traded through Aurora Trading Strategies and Aurora Intraday Futures as well as hypothetical data. This data was adjusted using the modified algorithm designed for Vision and its' IB's. Where trading results are not available (usually because no individual was trading a particular contract at the time), results generated from Aurora's trading system, using actual market data (including normal market slippage) at the time of the trade have been used. This data was then used to compile the following results by combining the data using the methodology designed for the Aurora Diversified Futures Day Trading program. Due to these factors the following results must be considered hypothetical in nature and the disclosure which follows the results must be included.

In addition to the above the following assumptions have been made in preparing the data: All results are shown NET of commissions (\$20.00/round-turn), and management and incentive fees as outlined in this document. Results assume a starting investment of \$100,000 and a reinvestment of all profits.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Month	Rate of Return		
	2009	2008	2007
January	0.29%	5.01%	3.61%
February	-0.23%	5.22%	2.01%
March	-1.04%	5.31%	4.27%
April	1.94%	-1.70%	2.66%
May		4.09%	-1.08%
June		2.67%	-1.20%
July		-.73%	2.58%
August		1.32%	2.09%
September		2.87%	3.49%
October		-4.88%	3.62%
November		-3.59%	5.99%
December		2.53%	3.45%
YTD	0.94%	18.92%	36.15%

Largest monthly draw-down	-4.88 – Oct 2008
Worst peak-to-valley draw-down	-8.47 – Oct/Nov 2008

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

**AURORA FUTURES CORP.**  
**CUSTOMER ADVISORY AGREEMENT**

This Customer Agreement and Trading Authorization is made and entered into as of the date set forth at the end of this Agreement by and between AURORA FUTURES CORP. (hereafter referred to as the "Advisor") and the undersigned customer(s) (hereafter referred to as the "Client"). This agreement is entered into based upon the following representations:

The Client represents that he/she has speculative capital for the principal purpose of investing in futures contracts and has been informed and is fully aware of the possible high risks associated with such investments.

The Client represents and warrants that he/she is of legal age to be bound by this Agreement and that no other person has, or will have any interest in the account, except as disclosed in writing to the Advisor.

**IT IS MUTUALLY AGREED THAT:**

The Advisor will seek capital appreciation in the Client's Account by trading speculatively in futures.

The client acknowledges receipt of a copy of the Aurora Futures Corp. Disclosure Document dated May 15, 2009. Customer has read and understands the Disclosure Document and has carefully considered the risks outlined therein.

The client gives and grants Aurora Futures Corp as his/her (its) agent and attorney in fact with full power and authority to trade (buy and sell) in commodity futures contracts pursuant to the trading policies described in the Disclosure Document. This limited trading authorization and power of attorney shall be a continuing one and shall remain in full force and effect until revoked by the undersigned by a written notice addressed and delivered to the advisor.

This Agreement shall remain in effect until terminated by the receipt of written notice of either party to the other. The Advisor or Client may terminate this Agreement for any reason upon such notice. Upon termination of this agreement, any open positions and subsequent management of the Account shall be the sole responsibility of the Client. Upon termination, fees payable to the advisor will be calculated and payable based upon the date of termination

The client shall deposit the sum set forth at the end of this Agreement in a commodity trading account established and maintained with the Futures Commission Merchant ("FCM") named at the end of this Agreement.

The Client agrees to execute a "Limited Trading Authorization & Power of Attorney" with the designated FCM authorizing the Advisor to enter orders for commodity interests for the Client's account.

The Advisor will trade futures contracts and will have the exclusive authority to issue all necessary instructions to the Broker. All such transactions shall be for the account and risk of the Client.

The advisor's recommendations and authorizations shall be for the account and risk of the Client. The Advisor makes no guarantee that any of its services will result in a profit to the Client. The Client has read the Risk Disclosure Statements provided by the FCM and understands those risks. The Client assumes the responsibility of losses that may be incurred.

The Client acknowledges that he/she has read a copy of the Advisor's most current Disclosure Document. The Advisor makes no guarantee that any of its services will result in a gain for the Client. The Advisor will not be liable to the Client or to others except by reason of acts constituting willful malfeasance or gross negligence as to its duties herein, and disclaims any liability for human or machine errors in orders to trade or not to trade commodity interests.

The Client recognizes that orders will be executed on the Client's behalf by the FCM. Aurora Futures Corp will not directly execute such orders. Aurora Futures Corp. shall not be responsible for any acts, omissions, or errors of the FCM or any other executing broker in executing such orders.

The Client acknowledges that the Advisor's strategies and trades constitute proprietary data belonging to the Advisor and agrees that neither it nor any of its affiliates will disseminate any confidential information regarding any of the foregoing, except as required by law, and any such information as may be acquired by the Client or such affiliates is to be used solely to monitor the Advisor's performance on behalf of the Client.

The Client agrees that any and all portfolio position reports, performance information and other confidential or proprietary information distributed to the Client by Aurora Futures Corp. or the FCM must be held in confidence by the Client and may not be disclosed to any third party or used by the Client or any third party to whom the Client discloses such information for any purpose other than to monitor the Client's account with Aurora Futures Corp.

The client will pay the Advisor as compensation for advisory services a monthly management fee and a monthly incentive fee as specified in the Disclosure Document. The fees are mutually agreed upon and set forth at the end of this Agreement. The Advisor will bill all fees with the billing sent directly to the FCM to be paid out of the Client's account. The Advisor reserves the right to negotiate different fees for different clients and share any portion of these fees with third parties in accordance with regulatory and industry standards.

The Client agrees to authorize payments from the Client's Account to the Advisor in compensation for services as set forth in this agreement.

In the event that any provisions of this Agreement are invalid for any reason whatsoever, all other conditions and provisions of the Agreement shall, nevertheless, remain in full force and effect.

This Agreement shall be governed, where applicable, by the laws of the State of New Jersey.

By depositing funds with the FCM, the Client acknowledges and accepts the proprietary nature of the Advisor's trading program and his/her suitability to bear the possible economic loss in the trading of Commodity Interests.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the

\_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_

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

\_\_\_\_\_  
Joint Account Holder Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name of Joint Account Holder

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Email Address

Initial Deposit: \$ \_\_\_\_\_

Management Fee:   1   %      Incentive Fee:   20   %

Futures Commission Merchant:   Vision Financial Markets, LLC  

Aurora Futures Corp:

\_\_\_\_\_  
David J. Seibel, President

**NOTIONAL FUNDS AGREEMENT  
RE: Advisory Agreement Between**

**Aurora Futures Corp. (CTA)**

**And**

\_\_\_\_\_ **(Client)**

You have directed that Aurora Futures Corp. begin trading your account on a notional basis effective \_\_\_\_\_, 200\_\_.

\$ \_\_\_\_\_ will be committed to the trading program. The account will be traded at an equity level at such date of \$ \_\_\_\_\_. Any increases or decreases in the notional portion of the account may be made only upon written notice to us. Withdrawals of capital from the account (including notional equity) at a time when the account has a carry forward loss will result in an adjustment to such loss carry forward in a ratio equal to the withdrawal divided by the equity prior to withdrawal. Additions of capital subsequent to a withdrawal will reduce the adjustment to the carry forward loss but in no case increase the loss carry forward above its previous highest level. Such addition may be cash or notional.

As you know, notional equity creates additional leverage in an account relative to the cash in such account. This leverage results in proportionally greater risk of loss (and opportunity for gain).

Please sign below as having received and agreed to the foregoing.

ACKNOWLEDGED AND AGREED TO BY CLIENT:

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**AURORA FUTURES CORP.**

**ACKNOWLEDGMENT OF RECEIPT OF  
CONFIDENTIAL DISCLOSURE DOCUMENT**

Aurora Futures Corp.  
14 Tindall Road  
Middletown, NJ 07748

Gentleman:

This is to acknowledge that I have received, read, and understood a copy of the Confidential Disclosure Document of Aurora Futures Corp dated May 15, 2009.

I understand the risks of commodity trading and represent to Aurora Futures Corp. that the trading program described in the Confidential Disclosure Document would be an appropriate investment for me in light of my financial circumstances.

Read and Acknowledged by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**AUTHORIZATION TO PAY FEES**

Vision Financial Markets, LLC  
1 Whitehall Street – 15<sup>th</sup> Fl  
New York, NY 10004

Dear Sir/Madam,

I, the undersigned, hereby authorize you to deduct from my commodity trading account held with you, and remit to Aurora Futures Corp, amounts due for invoices as may be submitted periodically by Aurora Futures Corp.

You shall be entitled to rely conclusively on any invoices you receive from Aurora Futures Corp. with respect to the amount and payments of such fees. Notice of debits to my account for the above purpose shall be furnished promptly to me.

Thank you,

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

\_\_\_\_\_  
Joint Account Signature (if applicable)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name of Joint Account

\_\_\_\_\_  
Date

\_\_\_\_\_  
Account Number

**LIMITED TRADING AUTHORIZATION AND POWER OF ATTORNEY**

Vision Financial Markets, LLC  
1 Whitehall Street – 15<sup>th</sup> Fl  
New York, NY 10004

The undersigned, \_\_\_\_\_, hereby gives and grants Aurora Futures Corp ("The Advisor") as his/her (its) agent and attorney in fact, full power and authority to buy, and trade in commodity future contracts and options, foreign futures and foreign options and foreign exchange contracts and options pursuant to the trading policies described in the Disclosure Document. This limited trading authorization and power of attorney shall be a continuing one and shall remain in full force and effect until revoked by the undersigned by a written notice addressed and delivered to the advisor.

Thank you,

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

\_\_\_\_\_  
Joint Account Signature (if applicable)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name of Joint Account

\_\_\_\_\_  
Date

\_\_\_\_\_  
Account Number