

Disclosure Document No. \_\_\_\_\_

Issued To: \_\_\_\_\_

## **PART I**

### **DISCLOSURE DOCUMENT FOR HEARTLAND AGRICULTURAL FUND L.P.**

***A Wisconsin Limited Partnership That Will Speculatively Trade  
Agricultural Futures and Options Contracts***

\$50,000,000 of Limited Partnership Interests  
\$20,000 Minimum Subscription

**Brock Capital Management LLC**  
General Partner and Trading Advisor

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

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*Neither the Securities and Exchange Commission, nor any state securities commission has approved or disapproved these securities, or determined if this Disclosure Document is truthful or complete. Any representation to the contrary is a criminal offense.*

*This Disclosure Document gives you information about Heartland Agricultural Fund L.P. you should know before investing. Please read this Disclosure Document carefully and retain it for future reference. Additional information is included in the Statement of Additional Information that immediately follows this Disclosure Document.*

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**March 31, 2010**

## **RISK DISCLOSURE STATEMENT**

**YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, YOU SHOULD BE AWARE THAT FUTURES AND OPTIONS TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND, CONSEQUENTLY, THE VALUE OF YOUR INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON REDEMPTIONS MAY AFFECT YOUR ABILITY TO WITHDRAW YOUR PARTICIPATION IN THE POOL.**

**FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT, AS WELL AS ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH EXPENSE TO BE CHARGED THIS POOL AT PAGES 25-28 AND A STATEMENT OF THE PERCENTAGE RETURN NECESSARY TO BREAK EVEN, THAT IS, TO RECOVER THE AMOUNT OF YOUR INITIAL INVESTMENT, AT PAGE 28.**

**THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMMODITY POOL. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN THIS COMMODITY POOL, YOU SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT, INCLUDING A DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGES 10-16.**

**YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY POOL MAY TRADE FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A U.S. MARKET, MAY BE SUBJECT TO REGULATIONS THAT OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE POOL AND ITS PARTICIPANTS. FURTHER, U.S. REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-U.S. JURISDICTIONS WHERE TRANSACTIONS FOR THE POOL MAY BE EFFECTED.**

If you are in a jurisdiction where it is unlawful to offer or sell the Interests offered by this Disclosure Document or are a person to whom it is unlawful to offer or sell the Interests, then the offer by this Disclosure Document does not extend to you.

We have not registered or qualified the Interests offered under any federal or state securities laws. We are offering and selling the Interests in reliance on exemptions from the registration and qualification requirements of federal and state securities laws.

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Your ability to transfer Interests is restricted. There is no market for the Interests, and they may only be redeemed as of the end of the calendar month. You should only invest in the Fund if you can afford a complete loss.

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You will be required to make certain representations and warranties in the Subscription Agreement. Investors are encouraged to discuss their investment decisions with their financial, tax and local advisors.

We invite you to ask us any questions that you may have and request any additional information about the offering and other relevant matters. We will supply any information that we possess or can acquire without unreasonable effort or expense.

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You should rely only on the information contained in this document or that to which we have referred you. We have not authorized anyone to provide you with information that is different. The information in this document is current as if the date on the cover hereof and may change after that date.

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## INTRODUCTION

### *The Fund*

The Heartland Agricultural Fund L.P. (the “Fund”) is a Wisconsin limited partnership organized in January 2007. The Fund’s general partner is Brock Capital Management LLC (the “General Partner”). The Fund’s primary objective is to increase the value of the Fund’s assets through the speculative trading of futures and options in the agricultural markets, including grains, livestock and soft commodities (coffee, cocoa, sugar, etc.). Other futures markets also may be traded. By trading in these areas, the Fund will try to diversify a traditional portfolio of stocks, bonds and real estate. The Fund seeks to achieve its goal of long-term capital appreciation by combining prudent risk management techniques with the trading expertise and money management skills of the General Partner. We cannot guarantee that the Fund will achieve its objective. We have designed the Fund for investors who seek returns that exceed more traditional investments, but can tolerate the risk of a portion of their invested capital.

The General Partner has managed another commodity fund, The Millenium Fund Limited Partnership, since September 1999. That fund, whose performance is included in this Memorandum on page 9, was traded pursuant to a systematic method by the General Partner. The General Partner closed that fund down to start the Fund. This pool commenced trading February 2007. Performance for the Fund is included in the Memorandum on page 8.

In addition to providing trading and money management services to the Fund as its commodity trading advisor, we manage the Fund as its pool operator and as serve as its general partner. F.C. Stone and Company is the primary futures broker of the Fund. The Interests are offered on behalf of the Fund by the General Partner on a best-efforts basis. We receive no sales commissions on Interests sold. We may also engage other selling agents to offer the Interests who may receive selling commissions and ongoing trailing commissions.

The Fund’s address is c/o Brock Capital Management LLC, 2050 West Good Hope Road, Milwaukee, Wisconsin 53209. Its telephone number is (414) 351-5500.

### *The Offering*

The Fund is offering up to \$50,000,000 of its Limited Partner Interests. You may buy Interests on the last business day of any month, and you will be admitted as a limited partner in the Fund (a “Limited Partner”) on the first day of the following month. You must purchase a minimum of \$20,000 in Interests; however, we reserve the right to accept subscriptions in lesser amounts. Following the commencement of trading and during the ongoing offering, we will offer the Interests until we terminate the offering.

We are privately offering the Interests under Section 4(2) of the Securities Act of 1933 and Regulation D thereunder. The Fund currently allocates its assets to one advisor, Brock Capital Management LLC and, therefore, is not a multi-advisor pool. Similarly, your investment in the Fund is not guaranteed and, accordingly, it is not a principal-protected pool.

### *The General Partner and Trading Advisor*

Brock Capital Management LLC was formed in 2005 to act as a commodity trading advisor and commodity pool operator. Our principal office is at 2050 West Good Hope Road, Milwaukee, Wisconsin 53209; telephone: (414) 351-5500. See “General Partner and Trading Advisor.”

### *The Futures Broker*

F.C. Stone, LLC, registered futures commission merchant, serves as the Fund's primary futures broker. In this capacity, F.C. Stone (referred to as the "Futures Broker") will execute or cause to be executed the Fund's commodity interest transactions in addition to providing other brokerage-related services. We may clear through other futures brokers that are registered as futures commission merchants with the National Futures Association (the "NFA"). Brock Investor Services, an affiliate of ours, acts as the Fund's introducing broker and receives a portion of the commissions paid by the Fund.

### *Futures Brokerage Commissions*

The Fund pays the Futures Broker a brokerage commission of up to an average of \$10 (plus the NFA fees) for each round-turn futures trade (purchase and sale or sale and purchase). Additionally, the Fund is charged transaction costs known as "dealer spreads" in lieu of brokerage commissions, with respect to off-exchange contracts.

### *Management Fees*

With respect of each capital account to a Limited Partner ("Capital Account"), we receive a monthly management fee of 1/6 of 1% (2% per annum) of the month-end Net Asset Value of such Capital Account. We may waive or reduce any or all of the Management Fee with respect to any Capital Account of a Limited Partner, or agree to a management fee arrangement with respect to any Capital Account of a Limited Partner that differs from that set forth above.

### *Incentive Allocation*

At the end of each Incentive Allocation Calculation Period (usually a quarter), the Capital Account of each Limited Partner will be debited, and our Capital Account will be credited, with an Incentive Allocation in an amount equal to 20% of the "Net Trading Profits."

### *Offering Expenses*

We advanced the initial offering expenses for the Fund, estimated at \$10,000, which included legal, accounting, filing, marketing expenses, and printing. We waived our right to be reimbursed by the Fund for these expenses. The Fund will pay ongoing offering expenses as an expense of the Fund.

### *Operating Expenses*

The Fund pays periodic operating expenses such as legal, accounting, auditing and filing fees, and extraordinary expenses as they are incurred. We estimate these costs to be \$10,000 annually. We have the option of paying the operating costs ourselves, however, if the Fund does not reach sufficient size to pay the operating costs without a significant impact on returns. The General Partner estimates that the break-even level for the Fund is 6.65%, or \$1,329 on an investment of \$20,000. The Break-Even Price/Percentage is the amount of income or gain required to be generated by the Fund after one year to equal the initial investment in the Fund, expressed in dollars and percentage of the minimum investment of \$20,000.

### *Liquidity Provisions*

*Withdrawal Rights.* Although you should view your investment in the Fund as an intermediate-to-long-term investment, you may withdraw all or any part of the balance of your Capital Account at no

cost. You normally will receive the withdrawal proceeds by the 15<sup>th</sup> day of the following month. You must provide us with a written withdrawal request at least 10 days before the end of the month. Although there are no withdrawal charges, the Fund's ability to pay the withdrawal proceeds may depend on its ability to liquidate certain positions it holds.

*Distributions.* We do not intend to distribute Fund profits, if any. Instead, we will reinvest any profits into the Fund.

#### *Market Realities*

*Potential Risks.* Investing in the Fund involves substantial risks because:

- futures and options trading is highly speculative;
- several conflicts of interest exist; and
- the Fund is subject to substantial charges (see "Risk Factors" and "Conflicts of Interest").

*Potential Advantages.* Should trading be successful, you can benefit from the substantial leverage available in the futures, options, and commodity markets because it can lead to returns far in excess of the historical returns of traditional investments. You may also benefit from the diversification afforded by the Fund's investments, which have historically demonstrated significant noncorrelation with the performance of stocks and bonds. Of course, the leverage used in speculative futures trading to seek high rates of return can cause significant losses in difficult markets.

#### *General Partner's Investment*

As General Partner, we do not intend to maintain an investment in the Fund, but may do so in the future. Richard A. Brock, the manager of the General Partner, initially invested at least \$500,000 in the Fund and as of February, 2010, had investments totaling \$856,000 in the fund. Brock Family Trust, the other principal of the General Partner, does not intend to invest in the Fund. With Mr. Brock's investment representing over 50% of the total value of the fund, the fund is considered "proprietary". There is no difference in the way Mr. Brock's investment in the fund is treated compared to the contribution of any other investors in regards to trading methodology, leverage or allocation of expenses.

#### *Investor Reporting*

We provide investors a monthly financial report outlining the results of the Fund's preceding month of trading activity. In addition, a certified public accounting firm prepares an annual independently audited report of financial condition within 90 days after the close of each of the Fund's fiscal (calendar) year.

#### *Subscription Procedures*

To purchase Interests, you must:

- (i) complete and execute the Subscription Documents, and
- (ii) deliver or mail such documents to us, together with a check for the purchase price.

You must invest at least \$20,000; however, we may accept subscriptions in lesser amounts and may accept or reject any subscription in our sole and absolute discretion. See "Introduction—The

Offering.”

#### *Further Questions*

We invite you to contact us with any additional questions you may have, or to request further clarification of concepts or definitions presented in this Disclosure Document, by calling (414) 351-5500.

### **ADVANTAGES OF THE FUND TO LIMITED PARTNERS**

The Fund offers you certain advantages that may otherwise be unavailable if you were to engage directly in commodity transactions with only the Fund’s required minimum investment. Among the potential advantages are:

#### *Potential for Capital Appreciation*

The Fund’s primary investment objective is to increase the value of its assets (capital appreciation). The Fund allocates its assets to Brock Capital Management LLC. In turn, we use our trading strategies to attempt to capitalize on the profit potential of futures trading. If the Fund is successful, investing some of your assets in the Interests could significantly increase returns on your portfolio. We cannot guarantee that the Fund will increase in value.

Success in managed futures does not depend on economic prosperity, interest rate or currency stability. Because we trade from both the long and short sides of various markets, the Fund can be as profitable during periods of declining stocks and bonds, recession, and inflation as at any other time. You can directly participate in price trends among a number of global markets and diversify the earning potential of assets away from any single market.

#### *Limited Liability*

Your liability is limited to the amount of your investment plus any undistributed profits and interest; you will not have to invest additional capital to cover margin calls. Investors dealing directly in the futures markets are fully liable and, because of the high leverage of futures contracts, can lose substantially more than they invest. By investing in the Fund, you may participate in these volatile markets with a known, limited liability, and could be afforded substantially more protection by the design of the Fund’s “stop-loss” trading suspension policy.

#### *Professional Trading Management*

You do not have to spend substantial time trading futures contracts or have expertise to participate in these markets. By investing in the Fund, you gain access to professional trading management. Richard A. Brock, our principal trader, has been involved in agricultural commodities markets for more than 30 years.

#### *Investment Portfolio*

The Fund trades primarily in the agricultural market, but also trades in several other markets. We believe that the Fund does not have to depend on favorable economic conditions to be profitable. We believe that it is as likely to be profitable during periods of declining as it is during periods of rising stock and bond prices.

The feature of futures funds that distinguishes them from many other forms of investment is that their profit potential tends to increase during periods of economic uncertainty. Although we cannot guarantee that the Fund will be profitable at any given time, sharp price movements can develop during periods of instability or economic change (for example, concerted governmental efforts to influence exchange rates, drought, shortages of strategic material or international political unrest), and during these times, the Fund's ability to capitalize on the movements becomes increasingly likely to develop. Consequently, by investing in the Fund, you can diversify a traditional portfolio and also reduce your dependence on a generally stable world economy, upon which many other investments depend.

#### *Brokerage Rates*

The Fund pays brokerage commissions and fees at a round-turn rate of \$10 for transactions on U.S. futures exchanges. This rate was established by us without arms'-length negotiations. If you traded directly, you may be charged a higher rate and, thus, you will benefit by the Fund's lower rate, although it may not be the lowest available. One of our affiliates receives a portion on the brokerage commissions paid by the Fund. See "Conflicts of Interest."

#### *Capital Reserve*

The Fund uses only a portion of its trading capital as initial margin at any given time. Thus, the Fund maintains a reserve that should provide greater staying power in adverse markets than that typically available to individuals trading for their own accounts.

#### *Administrative Convenience*

As the Fund's pool operator, we handle the administrative issues of trading in the futures markets for you. Therefore, not only will you participate in these markets under the management of a professional full-time advisor, but we provide you with monthly and annual financial reports and annual tax statements that will include the current Net Asset Value in addition to all expenses, profits and losses during the reporting period.

#### *Liquidity*

Although you should not view the Fund as a short-term investment, you may withdraw all or any portion of your investment upon notifying us in writing 10 days before any month's end.

#### *Interest Income*

Generally, the Fund invests 75% to 95% of its assets in U.S. Treasury bills or instruments bearing interest equivalent to that of U.S. Treasury bills. The Fund receives all the interest income earned on the Fund's assets.

#### *Trading Flexibility*

Because of the unique structure of contracts in the futures and options, short positions can be initiated as readily as long positions. This flexibility allows us to participate on both the long and short sides of a market, thus providing trading opportunities in increasing (bull) or decreasing (bear) market cycles and inflationary or deflationary environments.

## GENERAL PARTNER AND TRADING ADVISOR

Brock Capital Management LLC is the general partner of the Fund. The company was organized as a limited liability company in Wisconsin on January 27, 2005. The company has been registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity trading advisor and commodity pool operator since May 26, 2005, and has been a member of the NFA since that date as well. The predecessor to the General Partner (affiliated with us) has continuously managed assets since 1997. Brock Family Trust is a principal of the General Partner in that it owns more than 10% of the outstanding equity of the General Partner. Richard A. Brock is the trustee of the Brock Family Trust.

Richard A. Brock is the manager of Brock Capital Management LLC, which he founded in January, 2005. He serves as President and chairman of Richard A. Brock & Associates, Inc. (the predecessor general partner of the Fund), which provides consulting to grain and livestock producers. The company’s registration as a Commodity Trading Advisor first became effective on August 6, 1980. It became registered as a Commodity Pool Operator on May 6, 1981. The company’s effective membership to the NFA (National Futures Association) became effective July 1, 1982. Mr. Brock obtained his Bachelor of Science degree in Agricultural Economics from Purdue University and his Master of Science degree from Cornell University. From August 1975 to July 1976, Mr. Brock was a commodity broker for Geldermann, Inc. in Lafayette, Indiana, a Futures Commission Merchant (FCM) headquartered in Chicago, Illinois. In July 1976, Mr. Brock joined Top Farmers of America in Milwaukee, Wisconsin, a commodity advisory firm, as a commodity market analyst. In 1978, he was promoted to the position of Director of Market Analysis and stayed in that capacity until October 1980, when he left Top Farmers of America to start Richard A. Brock & Associates, Inc. He founded Brock Investor Services, Inc. in October 1980 and currently serves as President, but is not active in the daily operations of that firm. Brock Investor Services has been a member of the NFA since January 28, 1988 and was approved as an introducing broker on that date. Mr. Brock’s effective date as Principal for Richard A. Brock & Associates is June 20, 1980, Associated Person is November 25, 1983; Brock Investor Services, Inc., Principal, April 23, 1981, Associated Person, January 28, 1988. He became registered with the CFTC as Principal and Associated Person of Brock Capital Management, LLC, on May 26, 2005.

### *Proprietary Trading by Brock Capital Management LLC and Its Principals*

Brock Capital Management LLC does not currently nor do we intend to trade for our own account. Our principals and associates reserve the right in the future to trade their own accounts, including in a manner which may differ from the positions taken for the Fund, and if any do engage in their own trading, records of such trading will be available for inspection by the Limited Partners at the offices of Brock Capital Management LLC.

### *Description of Trading Methods and Strategies*

Brock Capital Management will use a discretionary method of trading for the Fund. In the decision making process for trading, we utilize fundamental and technical analysis along with the use of technical trading systems. Technical systems may consist of both trend following and reversal Strategies. Fundamental analysis consists of using supply-and-demand analysis to predict average prices for commodities over a given period of time. The difficulty with using only fundamental analysis is that it provides no means for timing or purchasing of sales. Technical analysis is based on the theory that the study of markets themselves provides the means for anticipating futures prices. A technical approach bases trading systems primarily on the price behavior of each commodity and provides the timing technique we use for implementing positions in the futures and options markets.

Most trading decisions are currently made based on fundamental analysis, while one technical system is also in place. The performance of any technical trend-following trading system may be adversely affected by:

- unexpected changes in fundamental factors; and
- trendless periods that occur from time to time in the commodity markets.

The underlying premise of a technical trend-following trading system is that all commodities will, from time to time, enter into periods of major price changes to either higher or lower levels. These major price changes are known as trends. Ordinarily, we will not attempt to predict the extent or the duration of such a price trend but, rather, make decisions to either purchase or sell a commodity based on the direction of the commodity indicated by the technical system. If we believe it would be difficult or would expose the account under management to undue risk to execute the trade, we may choose to modify the trading indications of its technical system.

Our technical analysis of the futures markets will consist of analyzing daily, weekly and monthly price fluctuations along with changes in the volume of trading and open interest. We use commodity charts and computers in this analysis. Through the use of technical analysis, we attempt to detect price trends and to establish or exit positions when the favorable trend either reverses or does not materialize. No such methods will be successful if the trend is adverse to the direction incorrectly predicted by the system or the market is moving in an erratic and non-trending manner. Such trading methods may also result in adverse price movements over the short-term even though the long-term trend of the market is favorable for the position and, thus, for the performance of the account.

We believe that because commodity markets are characterized by different types of price behaviors that vary at different times, no single trading method can work effectively under all conditions. Consequently, we use separate systems because each differs in the specific way in which it identifies price behavior. Some are designed to take advantage of longer-term price trends, while others attempt to identify short- or intermediate-term trends. Some methods will usually maintain a position in a particular commodity while others may have long periods with no positions. Because the systems have methods with different degrees of sensitivity to price changes, they will usually buy and sell at different times and different prices, and sometimes may even indicate opposing positions.

#### *The Commodities We Trade*

We focus our trading on agricultural commodities that include, but are not limited to:

Cocoa	Feeder cattle	Orange juice	Soybean oil
Coffee	Live cattle	Pork bellies	Soybeans
Corn	Live hogs	Rice	Sugar
Cotton	Oats	Soybean meal	Wheat

#### *Risk Management*

We seek to minimize the risk inherent in futures trading by placing protective stops or by hedging an outright futures position with options. We cannot guarantee that we will be successful in reducing risk or trading losses by using these techniques.

#### *Past Performance*

The General Partner has managed the trading of one other speculative trading account, The Millenium Fund Limited Partnership, for which it acted as general partner, advisor and pool operator. The trading decisions for such fund were made with more reliance on the systems utilized by the General Partner rather than through the exercise of discretion. (In contrast, the Heartland Agricultural Fund is traded using more discretionary judgment of the General Partner.) The past performance record of The Millenium Fund Limited Partnership is set forth below.

## THE HEARTLAND AGRICULTURAL FUND LIMITED PARTNERSHIP

Capsule Information as of February 28, 2010

Name of CTA:	Brock Capital Management LLC
Name of Pool:	Heartland Agricultural Fund L.P.
Type of Pool:	Privately Offered, Single Advisor
Start Date:	February 2007
Aggregate Subscriptions:	\$889,744.74
Current Net Asset Value:	\$1,258,492.44
Largest Monthly Drawdown:	-20.5% Feb. 08
Largest Peak-to-Valley Drawdown:	-25.3% Aug 07 - Feb 08

### Monthly/Annual Rates of Return

Month	2010	2009	2008	2007
<b>January</b>	3.89%	-2.84%	0.92%	
<b>February</b>	-2.50%	5.87%	-20.49%	1.91%
<b>March</b>		0.73%	27.16%	1.15%
<b>April</b>		0.46%	2.89%	0.69%
<b>May</b>		-4.68%	-0.22%	-2.57%
<b>June</b>		15.68%	3.52%	0.88%
<b>July</b>		-0.42%	20.73%	6.14%
<b>August</b>		3.07%	1.82%	-7.67%
<b>September</b>		-2.29%	-0.001%	-9.32%
<b>October</b>		-2.08%	-4.46%	14.69%
<b>November</b>		-3.55%	2.23%	-0.7%
<b>December</b>		-1.56%	0.96%	-2.44%
<b>Annual or YTD Rate of Return</b>	1.28%	6.99%	31.45%	0.73%

See accompanying notes to capsule performance for certain definitions.

Richard Brock's investment in the Heartland Agricultural Fund is equivalent to over 50% of total assets, meaning that this pool is considered a proprietary pool under CFTC regulations. All trades, trading decisions, and fund expenses are allocated to each investor proportionate to their investment in the fund.

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS**

**THE MILLENIUM FUND LIMITED PARTNERSHIP**

**Effective February 28, 2007 the account has closed.**

Capsule Information as of June 30, 2009

Name of Pool:	MILLENIUM FUND L P
Type of Pool:	Privately Offered, Single Advisor
Start Date:	September 1999
Aggregate Subscriptions:	\$ 3,000,863
Current Net Asset Value:	\$ 0
Largest Monthly Drawdown:	-7.2% Apr 06
Largest Peak-to-Valley Drawdown:	-37.7 % Jan 05 – Dec 06

**Monthly/Annual Rates of Return**

<b>Month</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Jan.				0.42%	-3.1%	2.8%
Feb.				0.05%	-6.5%	-5.6%
Mar.					-2.6%	-3.2%
Apr.					-7.2%	2.7%
May					-6.7%	-0.9%
Jun.					-0.3%	2.7%
Jul.					6.0%	-3.2%
Aug.					2.8%	6.5%
Sep.					2.1%	-1.2%
Oct.					-5.7%	-6.0%
Nov.					-6.9%	0.0%
Dec.					-4.67%	-4.0%
Annual or YTD Rate of Return				0.47%	-28.92%	-10.0%

See accompanying notes to capsule performance for certain definitions.

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**

## **NOTES TO PERFORMANCE CAPSULES**

The accompanying capsule information presents certain results of the trading of the Fund. A summary of the significant accounting policies that have been followed in preparing the accompanying information are set forth below. All performance information has been prepared in accordance with Generally Accepted Accounting Principles (“GAAP”).

**Aggregate Subscriptions:** Represents the total amount of funds contributed by partners to subscribe for Interests in the Fund.

**Current Net Asset Value:** Represents the Net Assets of the Fund as of the date shown, computed on an accrual basis in accordance with GAAP, and includes the sum of all cash, open commodity positions, and accrued interest income less accrued expenses and fees.

**Largest Monthly Drawdown:** Represents the largest loss experienced by the Fund in any calendar month expressed as a percentage of beginning net asset value.

**Largest Peak-to-Valley Monthly Drawdown:** Represents the greatest cumulative percentage decline in month-end net asset value due to losses sustained by the Fund during any period in which the initial month-end net asset value is not equaled or exceeded by the subsequent month-end net asset value.

**Monthly Rate of Return:** Represents net performance of the investors for the month divided by the beginning net asset value plus additions for the Investors. It excludes the General Partner Interest.

**Annual or YTD Rate of Return:** Represents the cumulative compounded rate of return for each year or portion thereof. It is computed by applying successively the respective monthly rate of return for each month beginning with the first month presented in each period, and represents the net percentage change since the beginning of the period presented.

## **RISK FACTORS**

An investment in the Fund involves a high degree of risk and should be made only after consulting with your investment and tax advisors. You should consider the following risks in making your investment:

### *Possible Total Loss of an Investment in the Fund*

You could lose all or substantially all of your investment in the Fund.

### *Futures Trading Involves Substantial Leverage*

Futures are typically traded on margin. This means that a small amount of capital can be used to invest in contracts of much greater total value. The initial margin on most futures contracts is approximately 2% to 15% of contract value. The resulting leverage enhances the Fund’s sensitivity to market movements, which can result in greater profits when we anticipate the direction of the move correctly or greater losses when we are incorrect. For example, if at the time of purchase 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the contract would, if the contract is 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.

### *Futures Trading Is Speculative, Highly Volatile and Can Result in Large Losses*

A principal risk in commodity futures trading is the rapid fluctuation in the market prices of futures contracts. If we incorrectly predict the movement of futures prices, the Fund could experience large losses. Price movements of futures contracts are influenced by such factors as changing supply and demand relationships; government trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and speculative frenzy and the emotions of the marketplace.

### *Increased Volatility, Limited Diversification Due to Limited Markets Traded*

Our program trades a very limited portfolio, focused primarily on the agricultural markets. Consequently, the program will likely be substantially more volatile than a diversified program. Specifically, the commodity prices in agriculture often experience wide price swings following government reports or weather reports. The Fund could be caught on the wrong side of the market after the release of such a report that could result in significant losses. In addition, an investment in the Fund may or may not diversify your portfolio because of the Fund's limited portfolio.

### *The Interests Are Not Liquid*

The Interests are not a liquid investment because no market exists for the Interests and none will develop. You may, however, withdraw your capital at any month-end on 10 days' written notice.

### *The Fund May Receive Margin Calls*

If the Fund's futures position shows a loss in excess of the minimum margin amount required by the Futures Broker to maintain the position, the Fund, but not you, will be required to deposit additional margin money with the Futures Broker. If the Fund fails or is unable to do so, the Futures Broker will close the Fund's position and the Fund will realize losses.

### *Markets That Are Not Liquid Could Make it Impossible for the Fund to Realize Profits or Limit Losses*

It is not always possible to execute a buy or sell order at the desired price, or to close out an open position, due to market conditions. Daily price fluctuation limits are established by the exchanges and approved by the CFTC. When the market price of a futures contract reaches its daily price fluctuation limit, no trades can be executed at prices outside such limit. The holder of a commodity futures contract (including the Fund) may, therefore, be locked into an adverse price movement for several days or more and lose considerably more than the initial margin put up to establish the position. Another instance of difficult or impossible execution occurs in thinly traded or illiquid markets.

### *Speculative Position Limits May Require the Advisor to Modify Its Trading to the Detriment of the Fund*

The exchanges have established and the CFTC has approved speculative position limits (referred to as "position limits") on the maximum futures position that any person, or group of persons acting in concert, may hold or control in particular futures contracts. Although unlikely, we may be required to reduce the size of the futures positions, which would otherwise be taken to avoid exceeding such limits. Such modification of the Fund's trades, if required, could adversely affect the operations and profitability of the Fund.

### *The Fund's Substantial Expenses Will Cause Losses Until Offset by Profits*

The Fund is responsible for various expenses regardless of whether the Fund is profitable. In addition to expenses, the Fund also is subject to incentive allocations payable separately to us based on our trading performance.

### *Trading Decisions Based on Technical and Fundamental Analysis*

Our trading decisions are based on technical analysis with a fundamental overlay for certain markets. To be profitable, technical analysis must accurately forecast the major price moves or trends in some commodities. We cannot guarantee that our forecasting will be accurate or that a major price move will develop. The best technical trading approach will not be profitable if there are no price moves or trends of the kind the trading method seeks to follow. In the past, there have been periods without discernible trends, and such periods may recur. Any factor that would lessen the prospect of major trends in the future (such as increased governmental control of or participation in the commodities markets) may reduce the prospect that a technical trading method will be profitable in the future. Moreover, any factor that would make it more difficult to execute trades at desired prices (such as a significant lessening of liquidity in a particular market) would also affect profitability. Further, many other trading methods utilize similar analyses in making market decisions. Therefore, bunching of buy and sell orders can occur, which makes it more difficult to take or liquidate a position.

### *Single Trading Advisor*

We are the Fund's sole trading advisor. Therefore, the Fund will not obtain the benefits of diversification of trading systems and methods that trading funds employing multiple trading advisors may receive.

### *You Will be Taxed Every Year on Your Share of the Fund's Profits, Not Only When You Redeem as Would Be the Case if You Held Stocks or Bonds*

You will be taxed each year on your investment in the Fund, irrespective of whether you redeem any Interests. In contrast, an investor holding stocks or bonds generally pays no tax on his or her capital appreciation until the securities are sold. Over time, the deferral of tax on stock and bond appreciation has a compounding effect.

### *The Management Fee May Be Recharacterized as "Investment Advisory Fees"*

You could be required to treat the management fees and certain other expenses of the Fund as "investment advisory fees," which are subject to substantial restrictions on deductibility for individual taxpayers. We do not intend to classify the management fees or such expenses as "investment advisory fees," a position to which the Internal Revenue Service ("IRS") might object. Should the IRS recharacterize the management fee or other expenses as "investment advisory fees," you may be required to pay additional taxes, interest and, possibly, penalties.

### *The Fund's Trading Gains May Be Taxed at Higher Rates*

You will be taxed on your share of any trading profits of the Fund at both short- and long-term capital gain rates. These tax rates are determined irrespective of how long you hold the Interests. Consequently, the tax rate on the Fund's trading gains may be higher or lower than those applicable to other investments you may hold for a comparable period.

### *Tax Could Be Due From Investors on Their Share of the Fund's Interest Income Despite Overall Losses*

You may be required to pay tax on your allocable share of the Fund's interest income, even if the Fund incurs overall losses. Trading losses can only be used by individuals to offset trading gains and \$3,000 of interest income each year. Consequently, if you were allocated \$5,000 of interest income and \$10,000 of net trading losses, you would owe tax on \$2,000 of interest income even though you would have a \$5,000 loss for the year. The remaining \$7,000 capital loss would carry forward, but it would be subject to the same limitation on its deductibility against interest income.

### *Premature Termination of the Fund*

We may withdraw as general partner upon 30 days' notice, which would cause the Fund to terminate, unless a substitute general partner were obtained. Other events, such as substantial losses, could also cause the Fund to terminate before the expiration of its stated term.

### *Reliance on General Partner/Trading Advisor*

Investors must rely entirely upon our judgment and ability to invest the Fund's assets (see "Conflicts of Interest"). We cannot guarantee that our trading methods will be successful under all or any market conditions. In addition, if we could not continue to manage the Fund's assets, there would be no assurance that a replacement advisor would be found or that a replacement advisor would manage the Fund's assets on the same compensation terms as we do.

### *The Fund Is Subject to Certain Conflicts of Interest*

We have a potential conflict of interest in rendering advice to the Fund because (1) we selected ourselves as trading advisor and determined our own compensation; and (2) our affiliate is an introducing broker of the Futures Broker and, thus, receives a portion of the brokerage commissions. See "Conflicts of Interest."

### *We May Have Unexpected Problems in Executing Trades*

We rely on computer, telephone and related electronic equipment to execute trades. If our equipment fails and/or the firms handling our computer and communications facilities are adversely affected due to uncontrollable factors such as weather problems, we may not be able to execute trades for the Fund, which could cause the Fund to incur losses. We intend to use backup systems to try to minimize the impact of such potential execution problems.

### *Futures Markets may be illiquid*

We often enter positions through the use of stop orders and exit positions through stop-loss orders. These orders are subject to market liquidity and do not guarantee that an order will be executed at a desired price. It could potentially be impossible to execute a stop loss order at all in the case of prices making a limit move during a trading session.

### *Trading in Options on Futures Is Speculative and Highly Leveraged*

An option is a right, purchased for a certain price, to either buy or sell the underlying futures contract during a certain period of time for a fixed price. Trading options on futures is speculative and highly leveraged. Specific market movements of the futures contracts underlying an option cannot accurately be predicted. If the Fund purchases an option, it will be subject to the risk of losing the entire

purchase price of the option. On the other hand, if the Fund writes (sells) an option, it will be subject to the risk of loss resulting from the difference between the amount received for the option and the price of the futures contract underlying the option that the Fund must purchase or deliver upon exercise of the option. Selling options, therefore, presents the potential for unlimited risk of loss.

#### *Forward Trading May Involve Increased Risk Because It Is Not Regulated*

A “forward contract” is similar to a futures contract. It is a contractual right to purchase or sell a commodity at or before a specified date in the future at a specified price. The Fund may engage in trading forward contracts. Such forward contracts are not traded on exchanges; rather, banks and dealers act as principals in these markets. Neither the CFTC nor any banking authority regulates trading in such forward contracts. In addition, there is no limitation on the daily price movements of forward contracts. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded. There have been periods during which certain banks or dealers have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they are prepared to buy and that at which they are prepared to sell. The imposition of credit controls by governmental authorities may limit such forward trading to less than that which we would otherwise recommend, to the possible detriment of clients.

The Fund is subject to the risk of the failure of or the inability to perform, with respect to its forward contracts, by counter parties with which it will trade. Assets on deposit with such counter parties will also generally not be protected by the same segregation requirements imposed on CFTC-regulated futures brokers. Accordingly, the insolvency or bankruptcy of such parties could also subject the Fund to the risk of loss.

#### *The Fund May Trade in Foreign Markets; These Markets Are Less Regulated Than U.S. Markets and Are Subject to Exchange Rate, Market Practice and Political Risks*

We may trade on markets located outside the U.S. Foreign trading involves risks — including exchange-rate exposure, possible governmental intervention and lack of regulation — that U.S. trading does not. In addition, the Fund may not have the same access to certain positions on foreign exchanges as do local traders, and the historical market data on which many commodity trading advisors base their strategies may not be as reliable or accessible as it is in the United States. Certain foreign exchanges may also be in developmental stages which could mean that prior price histories may not be indicative of current price dynamics. The rights of clients in the event of the insolvency or bankruptcy of a non-U.S. market or broker are also likely to be more limited than in the case of U.S. markets or brokers.

#### *Repayment of Cash Distributions*

You will not be personally liable for any debts or losses of the Fund beyond the amount of your capital contribution and profits on your contribution. If the Fund is otherwise unable to meet its obligations, however, you may be required to repay to the Fund cash distributions (including redemptions) previously received by you (with interest, as required by law) if such distributions were made after the Fund’s obligations arose.

#### *Increased Equity Under Management Could Lead to Diminished Returns*

The more money we manage, the more difficult it may be for us to trade profitably because of the potential difficulty of trading larger positions without adversely affecting prices and performance. Large trades generally result in more price slippage than do smaller orders.

### *We May Change Our Trading Approach and/or Futures Contracts Traded*

We may change our trading approach and/or the agricultural futures contracts traded. If we add additional types of futures contracts or options on futures to our program, we cannot guarantee that we will be successful in trading such other contracts.

We will inform you of any material change to the Fund's basic investment policies or structure. The addition of other futures contracts and options on futures to our program would not be considered a material change to the Fund's basic investment policies or structure.

### *Absence of Certain Statutory Registration*

Because the Fund is not registered as an investment company under the Investment Company Act of 1940 and we are not registered as an investment adviser under the Investment Advisers Act of 1940 administered by the Securities and Exchange Commission, you will not be afforded the protection provided by those Acts. We are registered as a commodity trading advisor and as a commodity pool operator under the Commodity Exchange Act, as amended (the "CEA").

### *Failure of the Futures Broker*

Under CFTC regulations, the Futures Broker is required to maintain customers' assets in segregated accounts. If the Futures Broker should fail to do so, the Fund may lose the funds on deposit with the Futures Broker. In addition, under certain circumstances, such as the inability of another customer of the Futures Broker or the Futures Broker itself to satisfy substantial deficiencies in such other customers' accounts, the Fund may lose its funds on deposit with the Futures Broker. In the case of any such failure or customer loss, the Fund may recover only a pro rata share of all property available for distribution to the Futures Broker customers.

### *Proposed Regulatory Change*

The futures markets could be subject to significant new statutes and regulations. Proposals include designating a single federal agency, such as the Federal Reserve Board or a new agency, with regulatory power over both the securities and futures markets. In addition, pursuant to their emergency powers, the CFTC and the exchanges may take extraordinary actions in the event of a market emergency. For example, they may:

- retroactively implement speculative position limits or higher margin requirements;
- establish daily price limits; and
- suspend trading.

Emergency actions by the CFTC or the exchanges could detrimentally affect the Fund's trading performance.

### *No Independent Review*

We have hired legal counsel to represent us in connection with this Disclosure Document. Our counsel does not represent the Fund or any of the Limited Partners. Therefore, to the extent the Fund and this offering would benefit by being represented by an independent underwriter and counsel, such benefit will not be available in this case.

### *Reliance on Key Individual*

Brock Capital Management LLC has one key trading principal, Richard A. Brock. The Fund could be adversely affected if Mr. Brock ceased being involved with Brock Capital Management LLC.

### *You Will Not Participate in Management*

You will not be entitled to participate in the management of the Fund.

### *Limited Ability to Liquidate Investment*

You must represent that your interest in the Fund is being acquired for investment. A transferee of your interest in the Fund may become a substituted Limited Partner only if we consent. We have sole and absolute discretion to withhold our consent. You have certain redemption rights, but there are limitations on those rights.

### *Increased Use of Trend-Following and Counter-Trend Systems*

Trading systems that employ trend-following timing signals and systems that employ counter-trend techniques have increased in use in recent years. This increase, with respect to trend-following systems, could alter trading patterns or affect trade execution to the detriment of the Fund. With regard to counter-trend systems (or other systems that attempt to profit from the wide use of trend-following systems by running stop points or otherwise), their affect is even harder to determine, but such increase could also alter trading patterns to the detriment of the Fund.

### *Possible Effect of Significant Redemptions*

If Limited Partners redeem a large percentage of Interests, the Fund may have to liquidate positions more quickly than would otherwise be desirable to raise the necessary cash to pay the redemptions. At the same time, the Fund would achieve a market position reflecting a smaller equity base. If Limited Partners do redeem a large percent, liquidating positions could continue even after the redemption date and could make it more difficult to recover losses or to generate profits. If the market is illiquid, it could be difficult to liquidate positions on favorable terms, which may result in losses to the Fund.

**These Risk Factors are not a complete explanation of risks involved in this offering. You should read this entire Disclosure Document before deciding to invest in the Fund.**

## **CERTAIN FEDERAL INCOME TAX CONSIDERATIONS**

*This summary was written to support the marketing of Interests in the Fund. It is not intended to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed by the IRS or any other authority with respect to any adjustment to the taxes owed by an investor due to the reporting of items from an investment in the Fund. Therefore, you are urged to seek advice based on your particular circumstances from an independent tax advisor.*

### ***Introduction***

The following is a summary of certain material federal income tax consequences of acquiring, holding and disposing of Interests. Because the federal income tax consequences of investing in the Fund will vary from investor to investor depending on each investor's unique federal income tax circumstances,

this summary does not attempt to discuss all the federal income tax consequences of such an investment. Among other things, except in certain limited cases, this summary does not purport to deal with persons in special situations (such as financial institutions, non-U.S. persons, insurance companies, entities exempt from federal income tax, regulated investment companies, dealers in commodities and securities and pass-through entities). Further, to the limited extent this summary discusses possible foreign, state and local income tax consequences, it does so in a very general manner. Finally, this summary does not purport to discuss federal tax consequences (such as estate and gift tax consequences) other than those arising under the federal income tax laws. ***Therefore, you are urged to consult your tax advisers to determine the federal, state, local and foreign tax consequences of acquiring, holding and disposing of an Interest.***

The following summary is based upon the Internal Revenue Code of 1986, as amended (the “Code”) and administrative regulations and rulings and judicial decisions thereunder, as of the date hereof, all of which are subject to change at any time (possibly on a retroactive basis). Therefore, no assurance can be given that the tax consequences to the Fund or its investors will continue to be as described herein.

The Fund has not sought or obtained a ruling from the IRS (or any other federal, state, local or foreign governmental agency) or an opinion of legal counsel as to any specific federal, state, local or foreign tax matter that may affect it. Accordingly, although this summary is considered to be a correct interpretation of applicable law, no assurance can be given that a court or taxing authority will agree with such interpretation or with the tax positions taken by the Fund.

This summary relates solely to U.S. investors. A U.S. investor for purposes of this discussion is a person who is a citizen or a resident alien of the United States, a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized under the laws of the United States or any political subdivision thereof, an estate whose income is subject to U.S. federal income tax regardless of its source or a trust if: (i) a U.S. court can exercise primary supervision over the trust’s administration and one or more U.S. persons are authorized to control all substantial decisions of the trust; or (ii) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

### ***Partnership Status***

The Fund intends to be classified as a partnership for federal income tax purposes. Thus, each item of the Fund’s income, gain, loss, deduction and credit as recognized for federal income tax purposes should flow through to investors in the Fund for federal income tax purposes. In addition, the Fund does not expect to be treated as a publicly traded partnership (“PTP”) taxable as a corporation for federal income tax purposes. In this regard, the General Partner will permit the number of investors in the Fund to exceed 100 only if an exemption to the PTP rules applies. If the Fund were not classified as a partnership but instead were classified as a corporation for federal income tax purposes, it would be subject to tax at the entity level and the Limited Partners would be subject to tax when they receive distributions. This summary assumes that the Fund will be classified as a partnership for federal income tax purposes.

### ***Taxation of Investors on Profits and Losses***

If the Fund is treated as a partnership for federal income tax purposes, it generally will not pay any federal income tax. Instead, the Fund will file a partnership information return (on IRS Form 1065) with the IRS that reports the results of its operations, and provide investors with tax information so that they may report their share of the Fund’s income, gain or loss. Each investor will be required to

report separately on its federal income tax return (for each taxable year of such investor in which the Fund's taxable year ends) its allocable share of the Fund's net long-term capital gain or loss, net short-term capital gain or loss and all items of ordinary income or loss, as reported to such investor by the Fund. With certain exceptions, federal income tax is not imposed on or measured by cash distributions (or constructive distributions), but on the Fund's "taxable income." As a result, each investor generally will be taxed on its allocable share of the Fund's taxable income and gain regardless of whether it received a distribution from the Fund during the taxable year in question.

### ***Allocations***

Under the Limited Partnership Agreement, the Fund's net capital appreciation or net capital depreciation for each accounting period is allocated among the Accounts of the investors without regard to the amount of income, gain or loss actually recognized by the Fund for federal income tax purposes. The Limited Partnership Agreement provides that items of the Fund's income, gain, loss, deduction and credit actually recognized by the Fund during a fiscal year generally are to be allocated for federal income tax purposes among the Capital Accounts pursuant to the principles of Treasury Regulations issued under Sections 704(b) and 704(c) of the Code. Under these principles, income, gain, loss, deduction and credit are generally allocated among the Accounts, as of the end of the Fund's taxable year, based upon the amounts of the Fund's net capital appreciation or net capital depreciation that have been allocated to such Accounts for the current and prior fiscal years, in a manner designed to eliminate "book/tax disparities" with respect to such Accounts.

The IRS could disagree with the Fund's methods of allocating income, gain and losses for federal income tax purposes, which could cause investors to recognize more or less income, gain or loss than originally allocated to them for federal income tax purposes.

### ***Deductions of Losses and Expenses***

#### ***Tax Basis and Amount at Risk***

For federal income tax purposes, an investor may deduct losses and expenses allocated to it by the Fund only to the extent of its adjusted tax basis in its Interest (or, in the case of individuals, certain noncorporate taxpayers and certain closely held corporations, the lesser of such investor's adjusted tax basis in its Interest or its "amount at risk" with respect to such Interest) as of the end of the Fund's taxable year in which such losses occur or such expenses are incurred.

Generally, an investor's adjusted tax basis in an Interest is the amount paid for such Interest, reduced (but not below zero) by such investor's share of the Fund's distributions, losses and expenses, and increased by such investor's share of the Fund's liabilities, if any, and income and gain as determined for federal income tax purposes, including capital gains, with such reductions and increases made at the end of the Fund's taxable year. (Tax basis is also important because gain or loss on cash distributions or partial or complete withdrawals from the Fund is measured by reference to the investor's adjusted tax basis in his Interest, as discussed below).

Generally, an investor's "amount at risk" with respect to an Interest includes such investor's (1) cash contributions to the Fund; (2) the adjusted basis of other property contributed by such investor to the Fund; and (3) amounts borrowed for the purchase of an Interest or for use by or in the Fund for which such investor is personally liable or that are secured by property of such investor (not otherwise used by the Fund) to the extent of the fair market value of the encumbered property. The "amount at risk" is increased by any income and gain (as determined for federal income tax purposes) derived by such investor from the Fund, and is decreased by any losses (as determined for federal income tax

purposes) derived by such investor from the Fund and the amounts of any withdrawals or other distributions received by such investor from the Fund. For purposes of the foregoing, “loss” derived by an investor from the Fund is defined as the excess of allowable deductions for a taxable year allocated to such investor by the Fund over the amount of income actually received or accrued by such investor during that year from the Fund. Disallowed loss that is suspended in any taxable year may be deducted in later years to the extent that the investor’s amount at risk increases.

It is possible that an investor may be at risk with respect to its Interest in an amount that is less than its tax basis in such Interest.

In addition to the limitations discussed above, net capital losses are deductible by noncorporate taxpayers only to the extent of capital gains for the taxable year plus \$3,000. Because of that limitation, an investor’s distributive share of the Fund’s net capital losses is not likely to materially reduce the federal income tax on such investor’s ordinary income.

#### *Syndication and Organization Expenses*

Neither the Fund nor its investors will be entitled to any deduction for syndication expenses (i.e., amounts paid or incurred in connection with offering and selling Interests, which may include amounts paid to agents to identify prospective investors in the Fund). The IRS could take the position that if the General Partner should pay agents to identify prospective investors in the Fund, a portion of any management fee payable to the General Partner constitutes a nondeductible syndication expense in the hands of the investors.

If the Fund so elects, organizational expenses of the Fund will be currently deductible in an amount equal to the lesser of the amount expended or \$5,000 (reduced but not below zero by the amount of organizational expense in excess of \$50,000), and the balance may be amortized over a 15-year period.

#### *Deductibility of Investment Expenditures by Noncorporate Investors*

The Code provides that in the case of a noncorporate taxpayer who itemizes deductions when computing taxable income, expenses incurred for the purpose of producing income (including investment management fees) generally must be aggregated with certain other “miscellaneous itemized deductions” and may be deducted only to the extent such aggregate expenses exceed 2% of such taxpayer’s adjusted gross income. Further, such expenses are not deductible by a noncorporate investor in calculating its alternative minimum tax liability. In addition, the Code further limits the deductibility of investment expenses of an individual with an adjusted gross income in excess of a specified amount.

These limitations should not apply to a noncorporate investor’s share of the Fund’s expenses so long as the Fund is engaged in a trade or business defined as such by the Code. Specifically, the Code provides that expenses incurred in connection with a trade or business may be deducted in full against gross income, and, thus, so long as the Fund is treated for tax purposes as being engaged in a trade or business, the expenses incurred will be fully deductible against the income earned at the Fund level, with the benefit of this deduction flowing through to the Fund’s investors and not being subject to the limitations at the investor level.

The Fund will take the position that it is in a trade or business and defined under the Code; however, there can be no assurance that the IRS would agree with this position or that this position would be upheld in court. If the IRS or a court should determine that the Fund is not engaged in a trade or business, the IRS may assert the position that an investor’s allocable share of any management fees paid to the General Partner are investment expenses, subject to the limitations described above. The IRS may

also contend that an investor's allocable share of the Incentive Allocations made to the General Partner is investment expense subject to the limitations described above.

#### *Passive Activity Loss Rules*

In the case of investors that are individuals, estates, trusts, certain closely held corporations or personal service corporations, Section 469 of the Code generally restricts the deductibility of losses and credits from a "passive activity" against certain income that is not derived from a passive activity. For federal income tax purposes, such passive losses and credits are deductible by an investor only against such investor's passive income. Pursuant to Temporary Regulations issued by the Treasury Department, income or loss from the Fund's investment and trading activity generally will not be considered income or loss from a passive activity. As a result, the deduction by an investor of his share of losses or deductions of the Fund should not be restricted by Section 469 of the Code. At the same time, an investor should not be able to offset losses or deductions from "passive activities" against its allocable share of the income or gain of the Fund.

#### *Tax Consequences to a Withdrawing Investor*

For purposes of a partial withdrawal (or other distribution) from an investor's Account, its Interest is not divided into separate interests; rather, an investor's Interest is "singular" even if the investor has made capital contributions to the Fund at different times, and a partial withdrawal (or other distribution) from an Account is treated for tax purposes as a distribution with respect to the entire related Interest. Thus, if an investor who invested cash in the Fund withdraws or otherwise receives a distribution of some but not all of its Account, the full amount of each withdrawal or distribution will be taxable as long-term capital gain, short-term capital gain or in some cases, ordinary income or combinations of the foregoing (depending on the facts and circumstances, e.g., the timing of such investor's capital contributions to the Fund) to the extent the amount of the withdrawal or distribution exceeds such investor's adjusted tax basis in such Interest. To the extent the amount of a withdrawal or other distribution does not exceed an investor's tax basis in an Interest, such withdrawal or other distribution is generally not reportable as taxable income but will reduce such tax basis, but not below zero. An investor generally will not recognize losses on partial withdrawals or other distributions.

Because an investor's tax basis in an Interest is not increased by such investor's allocable share of the Fund's income from trading activities until the end of the Fund's taxable year, partial withdrawals or distributions during the taxable year could result in taxable gain to the investor even though no gain would result if the same withdrawals or distributions were made at the end of the taxable year. Furthermore, the share of the Fund's income allocable to an investor at the end of the Fund's taxable year would also be includible in such investor's taxable income and would increase such investor's tax basis in its remaining Interest as of the end of such taxable year.

An investor receiving a cash distribution from the Fund in complete liquidation of its Interest generally will recognize capital gain or loss to the extent of the difference (if any) between the proceeds received by it and his adjusted tax basis in such Interest. Such capital gain or loss will be long-term, short-term or some combination of both, depending on the timing of such investor's capital contributions to the Fund. Notwithstanding the foregoing, Section 751 of the Code provides that a withdrawing investor will recognize ordinary income to the extent the Fund holds certain ordinary income items such as short-term obligations or market discount bonds, the interest on which has not been included in the Fund's taxable income, regardless of whether the investor would otherwise recognize a gain on such redemption.

Under the Limited Partnership Agreement, the General Partner has the ability to specially allocate an amount of the Fund's income, gain and certain other items to a withdrawing investor to eliminate such investor's "book/tax disparity" in respect of its Account(s). Such an allocation may result in the withdrawing investor recognizing taxable income, which may include ordinary income and short-term gain, in its last taxable year in the Fund, thereby reducing the amount of long-term capital gain that such investor might otherwise recognize upon its receipt of withdrawal proceeds. Similarly, the General Partner has the ability to make a special allocation to an investor making a partial withdrawal from its Account, potentially accelerating its recognition of income. Investors are advised to consult Article IX of the Limited Partnership Agreement for a discussion of the General Partner's ability to make these special allocations.

### ***Tax Treatment of Portfolio Investments***

#### *Section 1256 Contracts*

The Code generally distinguishes between so-called "Section 1256 Contracts" and other interests in property. Section 1256 Contracts include regulated futures contracts, certain foreign currency contracts and certain nonequity options. Under the Code, Section 1256 Contracts are subject to a "mark-to-market" system of taxation. Specifically, Section 1256 Contracts held by the Fund at the end of each taxable year of the Fund are treated for federal income tax purposes as if they were sold by the Fund for their fair market value on the last business day of such taxable year. The net gain or loss, if any, derived by the Fund from such deemed sales of Section 1256 Contracts (known as "marking-to-market"), together with any gain or loss derived by the Fund from actual sales of Section 1256 Contracts, must be taken into account by the Fund in computing its taxable income for such year.

If an open position on which profit has been realized as of the end of a fiscal year declines in value after such year-end and before the position is, in fact, offset, a loss will be recognized for tax purposes (irrespective of the fact that the trader may actually have realized a gain on the position considered from the time that such position was initiated). The converse is the case with an open position on which a mark-to-market loss was recognized for tax purposes as of the end of a fiscal year but that subsequently increases in value prior to being offset.

If a Section 1256 Contract held by the Fund at the end of a taxable year is sold in the following year, the amount of any gain or loss realized on such sale is adjusted to reflect the gain or loss previously taken into account under the "mark-to-market" rules.

Capital gains and losses derived from deemed or actual sales of Section 1256 Contracts generally are characterized as short-term capital gains or losses to the extent of 40% thereof and as long-term capital gains or losses to the extent of 60% thereof. Gains and losses derived from certain foreign currency transactions are treated as ordinary income and losses, as discussed below.

If a noncorporate taxpayer incurs a net capital loss for a year, the portion thereof, if any, that consists of a net loss on Section 1256 Contracts may, at the election of the taxpayer, be carried back three years. Losses so carried back may be deducted only against net capital gain for such year to the extent that such gain includes gains on Section 1256 Contracts included in the taxpayer's income for such year. Losses so carried back are deemed to consist of 60% long-term capital loss and 40% short-term capital loss. To the extent that such losses are not used to offset gains on Section 1256 Contracts in a carryback year, they will carry forward indefinitely as losses on Section 1256 Contracts in future years.

#### Mark-to-Market Election

Section 475(f) of the Code permits traders in securities and commodities to elect to “mark-to-market” securities held in connection with their trading business. An electing trader will recognize (as ordinary income) gain or loss on any security or commodity held in connection with such trade or business at the close of a taxable year as if such security were sold for its fair market value. To the extent the mark-to-market rules apply to a security or commodity, the special rules regarding interest and carrying costs related to straddles, the mark-to-market rules regarding certain Section 1256 contracts (including regulated futures contracts), and the wash sale rules on stock and securities will not apply. Once made, an election may be revoked only with the consent of the IRS. The Fund does not intend to make a Section 475(f) election.

### ***State and Local Taxes***

Each investor may be required to file returns and pay state and local tax on such investor’s share of the Fund’s income in the jurisdiction in which such investor is a resident and/or other jurisdictions in which income is earned by the Fund. Certain of such taxes could, if applicable, have a significant effect on the amount of tax payable by an investor with respect to its investment in the Fund. An investor may be entitled to a deduction or credit against tax owed to such investor’s jurisdiction of residence for taxes paid to other states or jurisdictions in which such investor is not a resident.

### ***Tax Elections***

The General Partner, in its sole discretion, may make any tax elections provided for in the Code on behalf of the Fund. These elections include the election under Section 754 of the Code to adjust the tax basis of the Fund’s assets when Interests in the Fund are transferred or when a holder of an Interest withdraws from the Fund. The 2004 Tax Act makes mandatory the tax basis adjustment rules when Interests are transferred to which there are substantial built-in losses. A “substantial built-in loss” exists when the Fund’s adjusted basis in property exceeds by more than \$250,000 the fair market value of such property. In lieu of the mandatory basis adjustment rules, special rules apply to electing investment partnerships and securitization partnerships.

### ***Tax Audits***

Adjustments in tax liability with respect to the Fund’s tax items generally will be made at the Fund level in a single proceeding rather than in separate proceedings with each investor. In general, the General Partner will represent the Fund as the “tax matters partner” during any audit and in any dispute with the IRS and may enter into a settlement agreement with the IRS that may be binding on you. Before settlement, however, an investor may file a statement with the IRS that the General Partner does not have authority to bind such investor with respect to the Fund.

The General Partner has the authority to and may extend the period for the assessment of deficiencies or the claiming of refunds with respect to all investors in the Fund. If an audit results in an adjustment, all investors may be required to pay additional tax, interest and, possibly, penalties. There can be no assurance that the tax return of the Fund or any Fund investor will not be audited by the IRS or that no adjustments to such returns will be made as a result of such an audit.

### ***Withholding Taxes***

The Fund may be required, on behalf of an investor, to withhold and remit taxes to federal, state, local or other jurisdictions from such investor’s allocable share of the Fund’s income. Withholding taxes may apply, for example, to persons who are subject to “back-up” withholding. To the extent that the

Fund is subject to any taxes or fees that are based on the specific characteristics of one or more Limited Partners, such taxes or fees shall be specially allocated to such Limited Partner or Limited Partners.

### ***Disclosure of Tax Structure and Treatment***

The Fund does not believe that an investment in Interests is reportable as a confidential tax shelter transaction. An investor may disclose the anticipated tax treatment and tax structure of the Fund.

### ***Tax Shelter Reporting***

Tax shelter regulations issued by the IRS may require the Fund to maintain a list of the names and taxpayer identification numbers of its investors, which list may be subject to disclosure to the IRS upon its request. In addition, an investor may be required to file a disclosure with the IRS (on IRS Form 8886 — Reportable Transactions Disclosure Statement) with respect to certain transactions entered into by the Fund. Published guidance on these regulations indicates that the tax shelter disclosure requirements should not apply to investments that are subject to certain mark-to-market provisions of the Code. The Fund expects that some or all of its investments will satisfy this exception, but there can be no assurance that the regulations will not otherwise apply to you. Accordingly, you should consult your federal tax advisor with respect to the applicability of the tax shelter regulations to your investment in the Fund, especially if you report losses from the Fund.

## **USE OF PROCEEDS**

We may sell up to a maximum \$50,000,000 under this offering. We will use the net proceeds from the sale of Interests to trade speculatively in futures contracts, forward contracts, physical commodities and options on the foregoing. We deposit substantially all the proceeds in a segregated account with the Futures Broker. A portion of the Fund's assets are deposited in its name at Park Bank, Milwaukee, Wisconsin. The Futures Broker may use all the Fund's assets for margin purposes and will hold the assets in a segregated account as required by the CEA. The Fund will use U.S. Government securities and cash to fulfill its margin requirements. We expect about 40% to 90% of the Fund's assets to be used for margin purposes, but the actual percentages could vary widely. The Fund will receive all the interest income earned on its assets.

## **CONFLICTS OF INTEREST**

### ***Our Fiduciary Responsibility.***

As general partner, we owe a fiduciary duty to the Limited Partners. Consequently, we have a responsibility to you to exercise good faith and fairness in all dealings affecting the Fund. If you have questions concerning our responsibilities, you should consult your counsel. If you believe we have violated our fiduciary duty, you may seek legal relief both for yourself and for all other similarly situated Limited Partners. You may also seek legal relief on behalf of the Fund under applicable laws, including partnership and securities laws, to recover damages from or require us to prepare an accounting. Limited Partners are afforded certain rights to institute reparations proceedings under the CEA, and the Act's rules and regulations if we or the Futures Broker violate the Act or of any rule, regulation or order of the CFTC. You may also institute legal proceedings to recover damages against us or the Futures Broker for excessive trading, which has been held to be in violation of the antifraud provisions of the Act, and for other violations of the Act. You should be aware that it would be difficult to establish that we engaged in excessive trading for several reasons. First, the Limited Partnership Agreement gives us broad trading authority. Second, there is no precise standard defining excessive trading. Last, the Limited Partnership Agreement and the advisory agreement provide several exculpatory provisions.

Under the Limited Partnership Agreement, we are only liable to the Fund or to any Limited Partner for willful or wanton misconduct, gross negligence or breach of fiduciary duty. The Fund will indemnify us and our principal for any loss, liability, damage, cost, expense, judgments and amounts paid in settlement, provided we have satisfied the standard described in the previous sentence. Consequently, you may have more limited rights of action than you would have absent such limitations. Furthermore, to the extent that the business terms of the Fund have been disclosed to you in this Offering Memorandum, you could be estopped from asserting that such terms violate any fiduciary obligations owed to you by us. Because of the inherent conflicts of interest involved in the structure of the Fund, we intend that all Limited Partners shall be deemed to have consented to the business terms of the Fund so long as we manage the Fund according to the terms described in this document.

Because we selected ourselves as the trading advisor for the Fund, the decision was not at arm's length, and we do not represent that we are the best trading advisor available. We and our principal will be involved in other business endeavors during the existence of the Fund, and, therefore, the time we devote to our other obligations and to the Fund may give rise to conflicts of interest. We may become involved as general partner for other commodity pools, which could create a conflict of interest. We may manage other funds for investors not participating in the fund using a trading strategy that is similar to that used for the fund.

Mr. Brock owns a real estate investment firm that owns a building at 2050 West Good Hope Road, Milwaukee, Wisconsin. The firm leases office space to Brock Capital Management LLC and to Brock Investor Services, Inc. Lease terms for office space were negotiated in an "arm's-length" manner and are comparable to the cost of other office space in competitive properties in the area. Thus, this should not present any conflicts of interest.

#### *Accounts of Our Affiliates and Affiliates of Futures Broker*

Brock Capital Management LLC (and its affiliates) may trade commodity interest contracts for their own accounts. In the event they do, we will give Limited Partners the right to inspect such trading records at the office of the General Partner. The Futures Broker and other brokers used by the Fund may effect transactions for the Fund in which the other parties to the transactions (i.e., those trading "opposite" to the Fund) are officers, directors or employees of the Futures Broker, us or any of our affiliates, other commodity pools or customer accounts or other commodity pools brokered, advised or operated, by such persons or entities. Such persons or entities may also compete with the Fund in bidding for or offering commodity interest contracts without knowing that the Fund is also bidding or offering.

We may manage the trading for other managed accounts and may actively solicit and manage customer accounts. We may, and our principal may also, in the future, advise, solicit or manage other commodity pools. In conducting such activities and other future business activities, we will have conflicts of interest in allocating management and advisory time, services and other functions. We will use the same trading methods and strategies that we use in managing the accounts of the Fund for other customer accounts. Any similar orders that we place for the Fund's account, our own accounts and those of our principal and/or other customers at or about the same time may be competing for the same or similar positions and, depending upon whose order is placed first, the difference in timing may result in some accounts receiving better prices than other accounts. Thus, as a result of a neutral allocation system, testing a new trading system or trading our proprietary accounts more aggressively, we and our principal may take or hold commodity interest contract positions in accounts in which they have an interest that are opposite to or ahead of positions taken or held by the Fund account. In addition, we may have a conflict of interest in rendering advice to the Fund because we may benefit more from managing some other customer's account, which may be an incentive to favor the other account. We will not knowingly and

deliberately favor any other account over the account of the Fund. We cannot guarantee, however, that the performance of all accounts we control and manage will be identical or even similar.

#### *Our Benefit From Fees and Incentive Allocations*

We have a conflict of interest between selecting a qualified introducing broker for the Fund and in selecting one that will benefit us. We are an affiliate of Brock Investor Services, Inc., which is an introducing broker that receives a portion of the commissions paid by the Fund to the Futures Broker. The brokerage rate payable by the Fund was not selected at arm's length. It is not the lowest rate available, in part because our affiliated introducing broker shares in such commissions. As a result of sharing in the brokerage commissions, we have an incentive to cause the Fund to trade more frequently than would otherwise be the case. We have a fiduciary duty to act in the best interests of the Limited Partners and intend to act in accordance with such duty; however, there is a conflict between our interest in fulfilling such fiduciary duties and in sharing in additional commissions.

We determined the compensation the Fund would pay us, that is, the management fees and incentive allocations (and indirectly, a portion of the brokerage commissions), without arm's-length negotiations. Although we believe such compensation fair considering the services we will provide and the risks we are undertaking attendant to acting as general partner and trading advisor, we do not guarantee that such amounts are the lowest available.

#### *The Futures Broker*

The Futures Broker and its affiliates and employees may trade futures and forward contracts for their own accounts. This could cause conflicts of interest. The Futures Broker also may act as a broker for other clients, which could cause conflicts of interest.

### **FIDUCIARY RESPONSIBILITY OF THE GENERAL PARTNER**

We are responsible as fiduciary for the safekeeping and use of all assets of the Fund for the exclusive benefit of the Fund. As fiduciary we will:

- not commingle the property of the Fund with the property of any person;
- exercise good faith and integrity with respect to Fund affairs, because we are accountable to each Limited Partner; and
- fulfill the several duties, obligations and limitations set forth in the Limited Partnership Agreement.

You may inspect and copy the Fund's books and records at our office, upon reasonable notice to us. All monies that we receive for the purchase of Interests in the Fund will be received in the Fund's name.

### **CHARGES TO THE FUND**

The Fund is subject to the following charges.

<b><u>Entity</u></b>	<b><u>Form of Compensation</u></b>	<b><u>Amount of Compensation</u></b>
Brock Capital Management LLC (General Partner)	Incentive allocation based on Net Trading Profits	20% of Net Trading Profits, if any, in each quarter

<u>Entity</u>	<u>Form of Compensation</u>	<u>Amount of Compensation</u>
	Monthly management fee	1/6 of 1% (2% per annum) of month-end Net Asset Value of the Fund
F.C. Stone & Company (The Futures Broker)	Commodity brokerage commissions	Up to \$10 per round-turn trade, plus NFA fees, of which approximately \$1.00 per round-turn trade is remitted to Brock Investor Services
Others	Periodic legal, ongoing offering expenses, accounting, auditing, printing, recording and filing fees, and postage charges	Actual expenses incurred estimated at approximately \$10,000 per annum

#### *Management Fees*

In respect of each Capital Account of a Limited Partner, we receive a monthly management fee of 1/6 of 1% (2% per annum) of the month-end Net Asset Value of such Capital Account. We may waive or reduce any or all of the Management Fee with respect to any Capital Account of a Limited Partner, or agree to a management fee arrangement with respect to any Capital Account of a Limited Partner that differs from that set forth above.

#### *Net Asset Value*

Net Asset Value means the total assets less total liabilities, determined on the basis of GAAP. This includes any unrealized profit or loss on open commodity positions. Open commodity positions will be calculated at their market value at the time of calculation. This means the settlement price determined by the exchange on which the transaction took place or the most recent closing quotation supplied by either the clearing broker or the bank that effected the transaction. If no trades take place on the date of the calculation, the contract will be valued at the fair value as determined by us.

#### *Incentive Allocation*

As of the end of each Incentive Allocation Calculation Period (usually a quarter), the Capital Account of each Limited Partner will be debited, and our Capital Account will be credited, with an Incentive Allocation in an amount equal to 20% of the “Net Trading Profits.”

“Incentive Allocation Calculation Period” for a Capital Account means (A) the period beginning on the date the Capital Contribution is credited to such Account and ending on the earlier of a Capital Withdrawal from such Account or the end of the calendar quarter during which such Capital Contribution is so credited, and (B) subsequently, the period from the end of the immediately prior Incentive Allocation Calculation Period for such Account and ending on the earlier of a Capital Withdrawal from such Account or the first calendar quarter-end falling after the end of the immediately prior Incentive Allocation Calculation Period for such Account.

“Net Trading Profit” with respect to a Capital Account as of the end of an Incentive Allocation Calculation Period for such Account means the sum of all forms of income, except interest income, and increases (realized or unrealized) in the value of the Fund’s portfolio, allocated to such Account since the date of the most recent assessment of an Incentive Allocation (or since the Account’s inception if the Account has never been assessed an Incentive Allocation) through and including the end of such Incentive Allocation Calculation Period, less the sum of all Fund expenses (including Management Fees

but excluding Incentive Allocations) debited from such Account since the date of the most recent assessment of an Incentive Allocation (or since the Account's inception if the Account has never been assessed an Incentive Allocation) through and including the end of such Incentive Allocation Calculation Period.

If an Incentive Allocation Calculation Period for a Limited Partner's Capital Account ends as of a date other than as of the end of a calendar quarter because such Limited Partner makes or is required to make a Capital Withdrawal from such Account as of a date other than as of the end of a calendar quarter and such Account has Net Trading Profits as of such date, then (A) an Incentive Allocation with respect to such Account shall be calculated and allocated to our Capital Account as of the end of such period in an amount equal to the product of (x) a fraction, the numerator of which is the amount of such withdrawal and the denominator of which is the Net Assets attributable to such Account as of the end of such period (without reduction for the amount of such withdrawal) times (y) the Incentive Allocation payable with respect to the entire Account as of such date; and (B) the Net Trading Profit for the Account will be proportionately adjusted to reflect the partial payment of the Incentive Allocation payable with respect to the entire Account.

If a Capital Withdrawal is made or required to be made from a Capital Account at a time when the Net Trading Profit with respect to the Account is negative, such loss carryforward shall be reduced proportionately in the amount that such Capital Withdrawal bears to the Net Assets of such Account immediately prior to such Capital Withdrawal.

We may waive any or all of the Incentive Allocation in respect of any Capital Account of a Limited Partner, or agree to a different Incentive Allocation arrangement in respect of any Capital Account of a Limited Partner.

Prospective investors should note that:

- because the incentive allocations are made on a quarterly basis, we may receive an incentive allocation during a year in which there was not a profit on an annual basis;
- the incentive allocations include unrealized gains from open commodity interest positions, even though those positions, when liquidated, may produce losses; and
- we will retain any incentive allocation earned even if losses occur later.

#### *Brokerage Commissions*

The Fund pays a round-turn brokerage commission of up to \$10 (plus NFA fees) on a per-trade basis to the Futures Broker. The Futures Broker has charged and may continue to charge certain of its other customers brokerage commissions at rates higher or lower than those charged to the Fund. Brock Investor Services, an affiliate of ours, is the Fund's introducing broker. It receives approximately \$1 per round-turn of the commissions paid by the Fund to the Futures Broker. See "Conflicts of Interest."

#### *Offering Expenses*

We advanced all initial offering expenses, estimated at \$10,000, which included legal, accounting, filing fees and marketing and printing expenses. We waived the Fund's obligation to reimburse us. The Fund will directly pay all ongoing offering expenses.

### *Annual Operating Expenses*

The Fund pays its annual operating expenses, estimated at \$10,000, including legal, accounting, auditing, printing, recording and filing fees, and postage charges.

### *Extraordinary Expenses*

The Fund will pay its extraordinary expenses, if any. Extraordinary expenses are unanticipated expenses which might arise from the Fund's business activities, such as, for example, the cost of any litigation in which the Fund might be engaged.

## **BREAK-EVEN ANALYSIS**

Minimum Investment	\$20,000
Offering expense	0
Management Fee	400
Incentive Allocation	0
Brokerage commissions and fees	800
Operating expenses	155
Less interest income	(26)
Amount of trading income required for the Fund's Net Asset Value (redemption value) at the end of one year to equal the Selling Price	1,329
Break-Even Price/Percentage	6.645%

### **The accompanying notes are an integral part of the break-even analysis**

The offering expense is zero because the General Partner is paying the initial expenses.

The management fee is the expense of the annual 2% management fee.

The incentive allocation is the 20% incentive compensation paid to the General Partner.

Brokerage commissions and fees are the estimated expense of the futures brokerage commissions, and other transaction fees. The General Partner has based its estimate of the brokerage costs on a seven-year trading history of a similar fund that it (or its predecessor firm) managed, which it has estimated at 4% per annum.

Operating expenses are based on the estimated annual operating expenses.

Less interest income is the estimated interest to be earned by the Fund, which is the 90-day U.S. Treasury Bill rate. As of March 17, 2010, that rate was 0.0013% .

The Break-Even Price/Percentage is the amount of income or gain required to be generated by the Fund, assuming NAV of the minimum required to commence trading after one year to equal the initial

investment in the Fund expressed in dollars and percentage of the minimum investment of \$20,000.

## **BROKERAGE ARRANGEMENTS**

F.C. Stone, LLC is the Futures Broker for the Fund. It is registered under the CEA as a futures commission merchant and a member of the NFA. Brock Investor Services, an affiliate of the General Partner, is the Fund's introducing broker.

## **PLAN OF DISTRIBUTION**

We are offering the Interests on a best-efforts basis. You may buy a minimum of \$20,000 in Interests, although we may choose to accept subscriptions in lesser amounts or establish a new minimum subscription requirement. We may accept or reject subscriptions in whole or in part in our sole and absolute discretion. You may not revoke your subscription. If we accept your subscription, you will receive interest on the subscription amount. If we do not accept your subscription, we will return the subscription amount to you without interest.

We are privately offering the Interests under the Securities Act of 1933, the applicable rules of the Securities and Exchange Commission, including Rule 506 of Regulation D, and the laws of the states in which the Interests are offered or sold.

### *Investment Requirements*

You may subscribe for Interests by completing the attached Subscription Agreement. Before subscribing, however, you should be aware of the following conditions:

- (1) You must buy a minimum of \$20,000 in Interests, although we may choose to accept subscriptions in lesser amounts.
- (2) You must represent and warrant in the attached Subscription Agreement that
  - (a) you are an "Accredited Investor" pursuant to Regulation D of the Securities Act of 1933; or
  - (b) by virtue of financial resources you described in the Subscription Agreement and your individual investment acumen or investment acumen of your financial advisor, you satisfy the suitability standards imposed by Rule 506 of Regulation D and otherwise meet the investment standards.
- (3) You must represent and warrant in the Subscription Agreement that you have read and understand the Disclosure Document and have, either individually or with an investment representative, the knowledge and experience in financial and business matters to be aware of and capable of evaluating the risks of an investment in the Fund. These risks include the risk of losing your entire investment and the conflicts of interest involved in the operation of the Fund.
- (4) You must represent and warrant in the Subscription Agreement that you are purchasing the securities for investment purposes only and not with a future or present intention of distribution.
- (5) We must consent to the subscription and may, in our sole discretion, accept or reject any subscription in whole or in part.

- (6) You may not revoke your subscription.

### **DISTRIBUTIONS TO LIMITED PARTNERS**

We do not plan to distribute any profits; however, if we decide to distribute any trading profits, you should note that your tax liability for Fund profits may exceed the amount of distributions you receive from the Fund. We will make all distributions, if any, in cash. The Fund will not make a claim against you with respect to amounts distributed to you (including amounts received upon redemptions of Interests) if the assets of the Fund are sufficient to pay the Fund's creditors.

### **WITHDRAWALS**

You may withdraw all or a portion of your Capital Account without cost but subject to all accrued fees. You must notify us in writing 10 business days before the last day of any month. We will try to pay you by the 15<sup>th</sup> of the month of the following month, but payments may be delayed due to illiquid markets in which the Fund has invested.

### **REPORTS TO LIMITED PARTNERS**

We will provide you with:

- monthly statements showing the Fund's profit or loss, and the increase or decrease in Net Asset Value; and
- a certified annual report of the Fund's financial condition any information about the Fund you may need to prepare your tax return.

### **FISCAL YEAR**

The Fund's fiscal year ends on December 31.

### **TRANSFER OF INTEREST**

Under the Limited Partnership Agreement, you may assign your Interests upon notice to us and to the Fund. Any assignment of Interests will be effective against the Fund or us when we receive such notice. No assignee becomes a substituted Limited Partner, however, except with our written consent (which consent may be withheld at our sole and absolute discretion). If we consent to an assignment, the substituted Limited Partner will be subject to all the rights and liabilities of the assigning Limited Partner. If we do not consent to the assignment, the assignee will have none of the rights of a Limited Partner except the right to receive distributions and to redeem Interests. These rights may be further limited to the extent to which the assigning Limited Partner would have otherwise been limited. If you assign all of your Interests, you nevertheless will remain a Limited Partner unless and until we accept your assignee as a substituted Limited Partner.

### **TRADING POLICIES**

The objective of the Fund is to achieve appreciation of its assets through speculative trading in futures, which may include futures contracts, forward contracts, physical commodities and options on the foregoing. The Fund's ability to make a profit will depend largely on our success in identifying market trends and price movements and buying or selling accordingly. We cannot guarantee that we will meet the Fund's objectives. No exchange has or will endorse or approve any program, practice or offering of this or any other commodity pool. We may trade on any United States or foreign exchange or market.

## **PART II**

### **STATEMENT OF ADDITIONAL INFORMATION FOR HEARTLAND AGRICULTURAL FUND L.P.**

\$50,000,000 of Limited Partnership Interests  
\$20,000 Minimum Subscription

**Brock Capital Management LLC**  
General Partner and Trading Advisor

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

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*This Statement of Additional Information contains additional information about Heartland Agricultural Fund L.P. not included in the Disclosure Document dated March 31, 2010, which immediately precedes this Statement of Additional Information. The Disclosure Document and this Statement of Additional Information together constitute the complete Offering Memorandum for the Fund.*

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**March 31, 2010**

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## **PURCHASES BY EMPLOYEE BENEFIT PLANS – ERISA CONSIDERATIONS**

This section summarizes certain consequences under the Employee Retirement Income Security Act of 1974 (“ERISA”) and the Internal Revenue Code (the “Code”) that a fiduciary of an “employee benefit plan” as defined in and subject to ERISA or of a “plan” as defined in and subject to Section 4975 of the Code who has investment discretion should consider before deciding to invest the plan’s assets in an Interest (such “employee benefit plans” and “plans” being referred to herein as “Plans,” and such fiduciaries with investment discretion being referred to herein as “Plan Fiduciaries”).

This summary is based upon the applicable provisions of ERISA and the Code and the relevant regulations, rulings and opinions issued by the U.S. Department of Labor (the “DOL”) and the Internal Revenue Service and as subsequently modified by the Pension Protection Act of 2006. No assurance can be given that legislative or administrative changes or court decisions that may significantly modify the statements made herein will not be forthcoming. Any such changes may or may not apply to transactions entered into prior to the date of their enactment. Further, this summary is not intended to be complete, but only to address certain questions under ERISA and the Code that are likely to be raised by the Plan Fiduciary’s own counsel.

### ***Considerations for Plan Fiduciaries***

ERISA requires a Plan Fiduciary to consider, among other things, whether: (i) the Plan’s investment in an Interest would be solely in the interest of the Plan’s participants and beneficiaries and for the exclusive purpose of providing benefits to such participants and beneficiaries; (ii) an investment would be a prudent investment for the Plan; (iii) the investments of the Plan, including the Plan’s proposed investment in an Interest, are diversified so as to minimize the risks of large losses; and (iv) an investment in an Interest would comply with the documents of the Plan and related trust. A Plan Fiduciary should also consider the reasonableness of the compensation being paid to us and other service providers (including, among other things, the level of each fee and the term of each relevant arrangement).

### ***Consequences of Investments by Benefit Plan Investors***

The Fund may sell Interests to “Benefit Plan Investors,” namely: (i) “employee benefit plans,” as defined in ERISA, regardless of whether such plans are subject to ERISA, (ii) “plans,” as defined in the Code, regardless of whether such plans are subject to Section 4975 of the Code, and (iii) entities deemed for any purpose of ERISA or Section 4975 of the Code to hold assets of any “employee benefit plan” or “plan” due to investments made in such entity by such “employee benefit plans” and “plans.” Benefit Plan Investors include, by way of example and not of limitation, corporate pension and profit-sharing plans, “simplified employee pension plans,” Keogh plans for self-employed individuals (including partners), individual retirement accounts, medical benefit plans, life insurance plans, church pension plans, governmental pension plans, foreign pension plans, and bank commingled trust funds, or insurance company separate accounts, for such plans and accounts.

The Fund does not intend to permit Benefit Plan Investors to hold 25% or more of the Interests of any class (generally excluding Interests of such class held by us and any of our affiliates, other than affiliates that are Benefit Plan Investors).

If, however, through inadvertence or other factors, Benefit Plan Investors should hold 25% or more of the Interests of any class, the Fund’s underlying assets would become “plan assets” under ERISA with respect to those investors that are Benefit Plan Investors subject to ERISA or the Code. (The 25% level is measured each time an Interest in a particular class is purchased or redeemed.) This would cause

us to be a “fiduciary” within the meaning of ERISA and Section 4975 of the Code to the extent it manages or controls such “plan assets” within the meaning of the term “fiduciary.” Thus, a person considering investing in the Fund should evaluate the “plan asset” consequences of an investment in an Interest, including the risk that unintended prohibited transaction or fiduciary duty delegation consequences may arise under ERISA or the Code. Regardless of whether the Fund’s underlying assets are “plan assets” under ERISA, these persons should consult with their counsel as to the ERISA consequences of an investment in an Interest by a Benefit Plan Investor.

Benefit Plan Investors should be aware that the Fund expects to borrow and that, as a result, a portion (perhaps a substantial portion) of the Fund’s income may be treated as “unrelated business taxable income.” An investment in the Fund, therefore, may not be suitable for Benefit Plan Investors, which should consult their tax, legal and financial advisors regarding the tax considerations involved in an investment in the Fund.

**The person having investment discretion over the assets of a Benefit Plan Investor should consult with its own legal counsel and other advisors as to the propriety of an investment in an Interest in light of the circumstances of such Benefit Plan Investor. The Fund’s acceptance of a subscription by a Benefit Plan Investor is in no respect a representation by the Fund or any other party that an investment in an Interest is appropriate for or meets the relevant legal requirements governing such Benefit Plan Investor.**

## THE COMMODITY FUTURES MARKETS

### *Futures Contracts*

Commodity futures contracts are contracts made on a commodity exchange that provides for the future delivery of various agricultural and nonagricultural commodities, currencies or financial instruments at a specified time and place. The contractual obligations, depending on whether one is a buyer or a seller, may be satisfied either by taking or making physical delivery of an approved grade of the commodity (except in those contracts settled in cash) or by making an offsetting sale or purchase of an equivalent commodity futures contract on the same exchange prior to the designated date of delivery.

In market terminology, a trader who purchases a futures contract is “long” in the futures market, and a trader who sells a futures contract is “short” in the futures market. Before a trader closes out a long or short position by an offsetting sale or purchase, his or her outstanding contracts are known as “open trades” or “open positions.”

Two broad classifications of persons who trade in commodity futures are “hedgers” and “speculators.” Commercial interests that market or process commodities use the futures markets primarily for hedging. Hedging is a protective procedure designed to minimize losses that may occur because of price fluctuations, for example, between the time a party makes a contract to sell a commodity and the time he or she must perform the contract. In such a case, at the time the hedger contracts to sell the commodity at a future date, he or she will simultaneously buy futures contracts for that commodity. Subsequently, the hedger may accept delivery under the futures contracts or may buy the actual commodity and close out the futures position by selling futures contracts. Thus, the commodity markets enable the hedger to shift the risk of price fluctuations to the speculator. The usual objective of the hedger is to protect the profit that he or she expects to earn from the commercial operations, rather than to profit from futures trading.

The speculator, unlike the hedger, generally expects neither to deliver nor receive the commodity. Instead, the speculator risks capital with the hope of making profits from price fluctuations in commodity

futures contracts. The speculator is, in effect, the risk bearer who assumes the risks the hedger seeks to avoid. Speculators rarely take delivery of a commodity but close out their futures positions by entering into offsetting purchases or sales of futures contracts. It is possible for the speculator to make profits or incur losses regardless of the direction of price trends. Futures trades made by the Fund are speculative, rather than for hedging purposes. Investors should note that there are always two parties to a commodity futures contract. If one party to such contract experiences gain on the contract, the other party to such contract experiences an equal amount of loss. Thus, only 50% of futures contracts can experience gain at any one time, without reference to commissions and other costs of trading that may reduce or eliminate such gain.

Commodity futures prices are highly volatile and are influenced by numerous factors, such as changing supply and demand relationships, governmental, agricultural and trade programs and policies, national and international political and economic events, weather conditions and purchases by foreign countries, among others.

### *Regulation*

Congress has enacted legislation regulating trading in commodities, the exchanges on which they are traded, the individual brokers who are members of such exchanges, and commodity brokerage houses that trade in these commodities. The controlling legislation, the Commodity Exchange Act (“CEA”) is designed to promote the orderly and systematic trading of commodities and commodity futures contracts while preventing fraud, speculative excess, and price manipulations. The CEA is implemented by rules and regulations promulgated by the Commodity Futures Trading Commission (“CFTC”) providing for position limits, registration of brokers and brokerage houses, segregation of customers’ funds, minimum financial requirements and periodic audits of such registered brokers and brokerage houses.

Under the CEA, futures trading in all commodities traded on domestic exchanges is regulated. The CFTC also has exclusive jurisdiction to regulate the activities of “commodity trading advisors,” “commodity pool operators” and “futures commission merchants,” and has adopted regulations with respect to certain of their activities. In accordance with the CEA, the General Partner is registered with the CFTC as a commodity pool operator and as a commodity trading advisor; the Introducing Broker is registered as an introducing broker; and the Futures Broker is registered as a futures commission merchant. The CFTC requires a commodity pool operator to keep accurate, current and orderly records with respect to each pool it operates. The CFTC is authorized to suspend registration of a commodity pool operator if the CFTC finds that the pool’s trading practices tend to disrupt orderly market conditions, that any controlling person is subject to any order of the CFTC denying such person trading privileges on any exchange and in certain other circumstances. The CEA gives similar authority to the CFTC with respect to the activities of commodity trading advisors. In the event that the registration of the General Partner as a commodity pool operator or membership in NFA were terminated or suspended, the General Partner would be unable to act as general partner of the Fund. Similarly, if the registration of the General Partner as a commodity trading advisor or its membership in NFA were to be terminated or suspended, the General Partner would be unable to render commodity trading advice to the Fund.

The Futures Broker is subject to regulation by and registration with the CFTC as a “futures commission merchant.” The CEA requires all futures commission merchants to meet and maintain specified fitness and financial requirements, account separately for all customers’ funds and positions, and maintain specified books and records on customer transactions open to inspection by the staff of the CFTC.

The CEA authorizes the CFTC to regulate trading by commodity brokerage firms and their officers and directors, permits the CFTC to require exchange action in the event of market emergencies

and establishes an administrative procedure under which commodity traders may institute complaints for damages arising from alleged violations of the CEA.

The CEA and the regulations promulgated thereunder make it unlawful for any commodity pool operator, commodity trading advisor, futures commission merchant, and principals thereof or any person who solicits therefor, to represent or imply in any manner that they have been recommended or approved by the CFTC or any governmental agency. The registrations described above are not, and should not be taken as, evidence of any such recommendation or approval.

Limited Partners are afforded certain rights to institute reparations proceedings under the CEA. The CFTC has adopted rules implementing the reparations provisions of the CEA that provide that any person may file a complaint with the CFTC seeking a reparations award for violation of the CEA against a floor broker, futures commission merchant, introducing broker, commodity trading advisor or commodity pool operator, or any associated person of the foregoing. Individuals may also seek relief in the courts for certain violations of the CEA. To the extent that the business terms of the Fund have been disclosed to Limited Partners in this Disclosure Document, however, Limited Partners could be estopped from asserting that such terms violate certain rights held by them.

Pursuant to the authority of the CEA, the NFA has been registered with the CFTC, as a self-regulatory association to share with the CFTC the responsibility of commodity regulation. The NFA has established and is required to enforce for its members training standards and proficiency tests, minimum financial requirements, and standards of fair practice. The NFA has assumed most of the registration responsibilities formerly held by the CFTC. The General Partner, the Introducing Broker and the Futures Broker are each members of the NFA.

Commodity exchanges are given reasonable latitude in promulgating rules and regulations to control and regulate their members and clearinghouses, as well as the trading conducted on their floors. Examples of regulations by an exchange include establishment of initial and maintenance margins, size of trading Interests, and contract specifications. The CFTC reviews all such rules and can, with respect to certain of such rules, require the amendment or modification thereof. Such rules and regulations relating to terms and conditions of contracts of sale or to other trading requirements, other than the setting of margins, must be approved by the CFTC.

Most U.S. exchanges limit the permissible fluctuation in commodity futures prices during a single trading day in certain commodities. These regulations specify what are referred to as “daily price fluctuation limits” or, more commonly, “daily limits.” The daily limits establish the maximum amount by which the price of a futures contract may vary either up or down from the previous day’s settlement price at the end of the trading session. Once the daily limit has been reached in a particular commodity, no trades may be made at a price beyond the limit. Positions in the commodity could then be taken or liquidated only if traders are willing to effect trades at or within the limit during the period for trading on such day. Because the daily limit rule governs price movement only for a particular trading day, it does not limit ultimate losses, but it may prevent the liquidation of unfavorable positions. Furthermore, commodity futures prices have occasionally moved the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures contracts and subjecting commodity futures traders to substantial losses. See “Risk Factors.”

The CFTC and the U.S. commodities exchanges have also established limits, referred to as “position limits,” on the maximum net long or net short speculative position that any speculator may hold or control in particular commodities. The position limits established by the CFTC apply to grains (including soybeans and soybean products) and cotton. U.S. commodity exchanges have also established position limits with respect to all other commodities traded on such exchanges. See “Risk Factors.”

The above-described regulatory scheme may be modified by rules and regulations promulgated by the CFTC. The CFTC does not regulate forward contracts, futures trading on exchanges outside of the United States, or transactions in physical commodities generally.

#### *Interbank Currency Contracts*

Although the Fund does not intend to enter into interbank currency contracts at this time, it may do so in the future. Such contracts are rights to purchase or sell currencies on or before a specified date in the future for a specified price. Interbank contracts are not traded on exchanges and are not afforded the regulatory protection of the exchanges or the CFTC. The Fund will be subject to the risk of non-performance or failure by the dealers who are the counterparties to the transactions. In addition to trading foreign currencies denominated in U.S. dollars, some contracts are based on “cross currency” positions, i.e., one foreign currency denominated in another foreign currency.

#### *Margins*

Margins are good-faith deposits that must be deposited with a broker to initiate or maintain an open position in a commodity futures contract. When commodity futures contracts are traded, both buyer and seller are required to post margins with the brokers handling their trades as security for the performance of their buying and selling undertakings and to offset losses in their trades due to daily fluctuations in the markets. Minimum margins are set by the exchanges and generally range from 2% to 20% of the value of the commodity underlying the contract. Upon delivery of the commodity in satisfaction of a futures contract, the entire contract price generally is payable by the buyer. Brokerage firms carrying accounts for traders in commodity futures contracts may increase the amount of margin required as a matter of policy to afford further protection for themselves.

The customer’s margin deposit is treated as “equity” in his or her account. A change in the market price of the commodity futures contract will increase or decrease the equity. If this equity decreases below the “maintenance margin” amount (generally 75% of the initial margin requirement), the broker will issue a margin call requiring the customer to increase the account’s equity to the initial margin. Failure to honor the margin call will result in the broker closing out the open position. Thus, if the Fund’s open trade equity is negative when a position is closed, its cash reserves will be used to offset this debit balance. If those reserves are not sufficient, the Fund and the General Partner will be liable for the remaining unpaid balance.

### **ADDITIONAL INFORMATION**

It is the intention of the General Partner that all prospective investors be given full access to information appropriate for their consideration in determining whether to become Limited Partners. Accordingly, prospective investors may communicate in this regard with the General Partner. In addition to the documents appended to this Offering Memorandum, certain additional documents will be made available to prospective investors upon written request. The General Partner or its representatives will also answer all inquiries from prospective investors concerning any matters relating to the General Partner or the Fund. Prospective investors will be afforded the opportunity to obtain any additional information (to the extent that the General Partner possesses such information or can acquire it without unreasonable effort or expense) necessary to verify the accuracy of any representations or information set forth in this document.