DISCLOSURE DOCUMENT

Be Free Investments, Inc.

A Commodity Trading Advisor

Be Free Investments, Inc.
216 W. Jackson Blvd.
Suite 925
Chicago, IL 60606
(312) 604 - 2916 (phone)
(312) 604 - 3033 (facsimile)

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

No person is authorized by Be Free Investments, Inc. to give any information or make any representations not contained herein. The delivery of this Disclosure Document does not imply that the information contained herein is correct as of any time subsequent to the date set forth below.

The date of this Disclosure Document is August 1, 2004.

Risk Disclosure Statement

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

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

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

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

THE PLACEMENT OF CONTINGENT ORDERS BY YOU OR YOUR TRADING ADVISOR, SUCH AS A "STOP-LOSS" OR "STOP-LIMIT" ORDER, WILL NOT NECESSARILY LIMIT YOUR LOSSES TO THE INTENDED AMOUNTS, SINCE MARKET CONDITIONS MAY MAKE IT IMPOSSIBLE TO EXECUTE SUCH ORDERS.

A "SPREAD" POSITION MAY NOT BE LESS RISKY THAN A SIMPLE "LONG" OR "SHORT" POSITION.

THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.

IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS, STARTING ON PAGE 11, A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, STARTING ON PAGE 8.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY TRADING ADVISOR MAY ENGAGE IN TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE YOUR TRANSACTIONS MAY BE EFFECTED. BEFORE YOU TRADE YOU SHOULD INQUIRE ABOUT AND ASK THE FIRM WITH WHICH YOU INTEND TO TRADE FOR DETAILS ABOUT THE TYPES OF REDRESS AVAILABLE IN BOTH YOUR LOCAL AND OTHER RELEVANT JURISDICTIONS.

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

TABLE OF CONTENTS

INTRODUCTION

Be Free Investments, Inc. ("the Advisor") is an Illinois corporation that was formed on October 23, 2001. Its principle office is located at 216 W. Jackson Blvd. / Suite 925 / Chicago, IL 60606. The telephone number is (312) 604-2916 and its facsimile number is (312) 604-3033. All books and records pertaining to the business of the Advisor will be maintained at the above address. The Advisor intends to use this document as of August 1, 2004.

THE ADVISOR

Be Free Investments, Inc. is an Illinois corporation whose sole shareholder and President is John Erder Yackley. Be Free Investments, Inc. became registered with the Commodity Futures Trading Commission and the National Futures Association as a Commodity Trading Advisor on December 6, 2001.

Mr. Yackley has been employed in the futures arena since 1992. He has been managing trading accounts since 1995. You can view Mr. Yackley's past performance on pages 6, 7 and 14. Presently, besides being the president of Be Free Investments, Inc., Mr. Yackley is also employed as a licensed futures and options broker at Rosenthal Collins Group (RCG). He became a broker at RCG in August 1997 and first worked in that capacity until February 1999. He then accepted employment and served on the Board of Directors and as the Head of Customer Services with Midas Trading House, a brokerage firm located in Dublin, Ireland. As his main responsibility at Midas Trading House, he oversaw the successful launch of that firm's internet trading platform in May 2000. Upon completion of this project, he resigned from Midas Trading House in October 2000 and returned to Rosenthal Collins Group in February 2001 where he has since exclusively focused on implementing his proprietary trading strategies. Before working at Rosenthal Collins Group, Mr. Yackley was employed by LFG, LLC (formerly Linnco Futures Group). At LFG, he served as a registered broker for three years, working there from September 1994 and August 1997.

Mr. Yackley is a graduate of Northwestern University. He received his Bachelor of Arts degree in Economics in June 1994.

INVESTMENT STRATEGIES

The Advisor's objective is the appreciation of its clients' assets through the trading of futures contracts and other commodity interests. Be Free Investments offers clients two unique investment strategies. Both strategies trade futures contracts as well as options on futures contracts. The markets in which the Advisor primarily trades are the:

S&P 500
US Treasury Bonds
US Ten Year Notes

The Income Strategy

This strategy's goal is to make steady and consistent monthly gains. See "Past Performance for the Income Strategy" on page 6 and "Proprietary Past Performance for the Income Strategy" on page 14. Clients should be willing to invest in the Income Strategy for at least one year. No assurance can be given that the Advisor's objectives will be met.

The Stocks Plus Strategy

This strategy's goal is to outperform the US stock market. See "Past Performance for the Stocks Plus Strategy" on page 7. Clients who believe in the long term potential of the US stock market should consider this strategy and should be willing to invest in it for at least three years. Prospective clients are cautioned that past performance may not be indicative of future results.

Both strategies draw on the principal's experience in analyzing the fundamental factors that affect financial markets. Technical analysis is also used by the Advisor, but fundamental analysis has primacy.

Fundamental analysis is based on how certain external factors affect a commodity's price. Such factors might include the prevailing conditions in an economy, the supply and demand for a commodity, and government policies affecting that commodity. Such factors are analyzed in an attempt to determine the intrinsic or "fair" value of a commodity.

Technical analysis of markets is based on the theory that a study of certain objective technical factors such as measures of price action, trading volume and open interest will themselves provide a means for predicting future prices.

In evaluating the various factors, which make up an investment decision, the Advisor pays close attention to each trade's risk and reward potential, how it fits into the risk profile of the entire portfolio, and whether it adheres to an account's overall investment goals.

PAST PERFORMANCE FOR THE INCOME STRATEGY

The performance shown in the tables below is for accounts over which Mr. John Yackley had discretionary control and traded pursuant to the Income strategy. ***PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.***

Annual Rates of Return[1] *(without use of leverage / notional funding)*

2002	2003	2004
+6.7%	**+5.4%**	**+6.0%**

Monthly Rates of Return[2] *(without use of leverage / notional funding)*

	2002	2003	2004
January	X	+0.66%	+0.27%
February	X	+2.52%	+1.06%
March	+1.12%	+0.04%	-1.11%
April	+1.33%	+0.05%	+0.03%
May	+1.08%	-1.98%	+1.92%
June	+1.38%	-1.78%	+1.71%
July	-3.81%	+0.04%	+2.02%
August	+0.96%	+2.18%	
September	+3.38%	+1.47%	
October	+0.10%	+2.06%	
November	-0.07%	+0.02%	
December	+1.17%	+0.10%	

Customer accounts directed according to Income strategy as of August 1, 2004	5
Total Assets Under Management as of August 1, 2004 – all customer accounts	$2,253,419.14
Total Assets Under Management and Traded Pursuant to the Income Strategy as of August 1, 2004	$2,015,568.48
Worst Monthly Percentage Draw-Down[3]	(July 2002) -3.81%
Worst Peak-to-Valley Draw-Down	(July 2002) -3.81%
Date the Advisor began trading customer accounts	January 28, 1996
Date the Advisor began trading customer accounts pursuant to the Income Strategy	January 1, 2002
Customer accounts that traded pursuant to the Income strategy that closed with a profit	1
Lifetime rate of return for account that closed with profit	+11.37%
Customer accounts that traded pursuant to the Income strategy that closed with a loss	no accounts have closed with a loss

[1] A Rate of Return shows the percentage gain or loss for that year. The Rate of Return is calculated by dividing the net performance for the year to date by the account value at the beginning of that year, NOT by simply adding the Monthly Rates of Return in that year.

[2] A Monthly Rate of Return is calculated by dividing the net performance for the month by the account's value at the beginning of the month.

[3] Draw-Down means losses experienced by an investment account over a specified period of time.

PAST PERFORMANCE FOR THE STOCKS PLUS STRATEGY

The performance shown in the tables below is for accounts over which Mr. John Yackley had discretionary control and traded pursuant to the Stocks Plus strategy. ***PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.***

Annual Rates of Return[4] *(without use of leverage / notional funding)*

1997	1998	1999	2000	2001	2002	2003	2004
+21.6%	**+30.6%**	**+47.0%**	**-9.7%**	*Strategy did not trade*	**-9.7%**	**+32.1%**	**+3.7%**

Monthly Rates of Return[5] *(without use of leverage / notional funding)*

	1997	1998	1999	2000	2001	2002	2003	2004
January	+1.15%	+2.61%	+0.31%	+11.08%	x	+1.80%	-1.81%	+1.56%
February	+3.98%	+3.64%	+0.28%	-0.73%	x	+0.84%	+2.66%	+1.59%
March	-0.37%	+1.85%	+0.30%	+5.55%	x	+6.63%	+0.73%	-2.56%
April	+3.46%	+3.29%	+0.14%	-23.78%	x	+0.07%	+8.33%	-1.58%
May	+3.47%	+1.46%	+3.89%	-11.38%	x	+2.99%	+5.36%	+3.08%
June	+1.09%	+4.68%	+2.62%	+3.65%	x	-1.29%	+1.14%	+3.34%
July	+0.85%	-0.25%	+1.01%	-6.02%	x	-20.21%	+3.80%	-1.64%
August	-1.64%	-13.88%	+5.24%	+15.75%	x	+2.00%	+0.96%	
September	+2.97%	+17.83%	+6.50%	+1.35%	x	-4.80%	-1.46%	
October	-8.36%	+3.50%	+12.38%	+0.51%	x	+1.26%	+3.32%	
November	+11.61%	+3.60%	+6.93%	x	x	+7.22%	+1.82%	
December	+2.56%	+1.25%	+0.28%	x	x	-3.55%	+3.77%	

Since Inception

Customer accounts directed according to the Stocks Plus strategy as of August 1, 2004		2
Total assets under management as of August 1, 2004 – all customer accounts		$2,253,419.14
Total assets under management and traded pursuant to the Stocks Plus strategy as of August 1, 2004		$237,850.66
Worst monthly percentage draw-down[6]	(April 2000)	-23.78%
Worst peak-to-valley draw-down	(March - May 2000)	-34.20%
Date the Advisor began trading customer accounts		January 28, 1996
Date the Advisor began trading Stocks Plus strategy		October 1, 1996
Customer accounts that traded pursuant to the Stocks Plus strategy that closed with a profit		1
Lifetime rate of return for account that closed with a profit		+110.72%
Customer accounts that traded pursuant to the Stocks Plus strategy that closed with a loss		no accounts have closed with a loss

Last Five Full Calendar Years (1999-2003)

Customer accounts directed according to the Stocks Plus strategy as of August 1, 2004		2
Total assets under management as of August 1, 2004 – all customer accounts		$2,253,419.14
Total assets under management and traded pursuant to the Stocks Plus strategy as of August 1, 2004		$237,850.66
Worst Monthly Percentage draw-down	(April 2000)	-23.78%
Worst peak-to-valley draw-down	(March - May 2000)	-34.20%
Customer accounts that traded pursuant to the Stocks Plus strategy that closed with a profit		1
Lifetime rate of return for account that closed with a profit		+110.72%
Customer accounts that traded pursuant to the Stocks Plus strategy that closed with a loss		no accounts have closed with a loss

---

4 An Annual Rate of Return shows the percentage gain or loss for that year. The Annual Rate of Return is calculated by dividing the net performance for the year to date by the account value at the beginning of that year, NOT by simply adding the Monthly Rates of Return in that year.

5 A Monthly Rate of Return is calculated by dividing the net performance for the month by the account's value at the beginning of the month.

6 Draw-Down means losses experienced by an investment account over a specified period of time.

RISK FACTORS

Commodity interest trading is a high-risk investment that should be made only after consultation with independent qualified sources of investment and tax advice. Among the risks involved are the following:

Commodity Trading Is Volatile

A principal risk in commodity interest trading is the traditional volatility (or rapid fluctuation) in the market prices of commodities. The volatility of commodity trading may cause a client's account to lose all or a substantial amount of its assets in a short period of time. Prices of commodity interests are affected by a wide variety of complex and hard to predict factors, such as political and economic events, weather and climate conditions and the prevailing psychological characteristics of the marketplace.

Substantial Leverage

Commodity futures contracts are traded on margins, which typically range from about 2% to 20% of the value of the contract. Low margin provides a large amount of leverage, i.e., commodity futures contracts for a large number of units (bushels, pounds, etc.) of a commodity, having a value substantially greater than the margin, may be traded for a relatively small amount of money. Hence a relatively small change in the market price of a commodity can produce a corresponding large profit or loss. If the Advisor invested a substantial portion of the assets of a client's account in such a situation, a substantial change, up or down, in the value of the account would result. For example, if at the time of purchase 5% of the price of a futures contract is deposited as margin, a 5% decrease in the price of the futures contract would, if the contract were then closed out, result in a total loss of the margin deposit. Brokerage commissions and other expenses also would be incurred and would have to be paid despite the loss. Thus, as in other leveraged investments, any trade may result in losses in excess of the amount invested.

Commodity Trading May be Illiquid

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 and/or price fluctuations. As an example of this latter risk, it should be noted that when the market price of a commodity futures contract reaches its daily price fluctuation limit no trades or only a limited number of trades can be executed. Daily price fluctuation limits are established by the exchanges and approved by the Commodity Futures Trading Commission ("CFTC"). The holder of a commodity futures contract may therefore be locked into an adverse price movement for several days or more and lose considerably more than the initial margin paid to establish a position. In certain commodities, the daily price fluctuation limits may apply throughout the life of the contract, and hence the holder of a futures contract who cannot liquidate his position by the end of trading on the last trading day may be required to make or take delivery of the commodity. Another instance of difficult or impossible execution occurs in thinly traded markets or markets which lack sufficient trading liquidity. As a result, no assurance can be given that the Advisor's orders will be executed at or near the desired price.

Clients Personally Liable for
Losses in Their Accounts

In a managed account, as opposed to a limited liability investment such as a commodity pool, a client's liability for losses in the account is a direct personal liability of the client. A client's potential loss is by no means limited to the amount of assets, which he commits to the account. For example, in a market in which the Advisor is unable to liquidate positions, clients could lose well in excess of the maximum they had thought they were risking in their futures trading.

Concentration of Positions

The Advisor may concentrate its trading in certain types of commodity interests. Consequently, a client may not maintain a variety of diverse positions. Concentration of trading in certain types of commodity interests may subject the account's performance to relatively greater volatility than if the account was more diversified.

Reliance on Trading Method Employed by Advisor

The Advisor primarily bases its trading decisions on the principal's own experience as well as fundamental and technical analysis of the futures markets (see **Investment Strategies** on page 5). However, no assurance can be given that the Advisor's trading techniques and strategies will be profitable. Strategies that have proven profitable in past market conditions will not necessarily achieve the same results.

Contracts on Foreign Exchanges

The Advisor may engage in the trading of contracts on foreign exchanges. Investors should note that foreign exchanges are not regulated by the Commodity Futures Trading Commission or any other government agency of the United States and, thus, such trading may involve risks not applicable to trading on United States exchanges. In addition, contracts traded on foreign exchanges are typically denominated in the local currency, which introduces an additional price variable not applicable to contracts traded on domestic exchanges. Therefore, unless an account hedges itself against fluctuations in exchange rates between the U.S. dollar and the currencies in which trading is done on such foreign exchanges, any profits which an account might realize in such trading could be eliminated by adverse changes in exchange rates or an account could incur losses as a result of any such changes. Some foreign exchanges, in contrast to exchanges in the United States, are "principals' markets" similar to the forward markets, in which responsibility for performance is only that of the individual member with whom a trader has entered into a transaction, and not of an exchange or exchange clearing house. Because some foreign exchanges generally lack a clearing house system such as that utilized by exchanges in the United States, market disruptions may be more likely to occur on foreign exchanges.

Counterparty Credit Risk

Under the Commodity Exchange Act, as amended, (the "CEA"), commodity brokers are required to maintain clients' assets in segregated accounts. To the extent that the Clearing Broker does not do so, however, the client's assets will be subject to a risk of loss in the event of the bankruptcy of such broker. In addition, irrespective of adequate segregation of accounts by the Clearing Broker, the client will be able to recover (even in respect to property specifically traceable to the client) only a pro rata share of the property available for distribution to all of the customers of the Clearing Broker, due to CFTC regulations classifying customers' property held as margin as not constituting property specifically identifiable as belonging to a particular customer. While rare, commodity broker bankruptcies have occurred in which clients were not able to recover from the broker's estate the full amount of their funds on deposit with the broker and owed to them. Similarly, those funds deposited in an account at a U.S. bank (if any) will be insured only up to $100,000 under existing federal regulations; amounts on deposit in excess of that amount would be subject to the risk of bank failure.

The Advisor may trade a client account in the over-the-counter foreign exchange and financial instrument markets. These markets do not have the safeguard mechanisms of a clearing organization that, in effect, guarantee every exchange-traded instrument. In contrast to exchange-traded futures contracts, over-the-counter instruments rely on the dealer or counterparty being contracted with to fulfill its contract. Failure by a counterparty to fulfill its contractual obligations could expose the client to unanticipated losses.

Commencement of Trading

An account managed by the Advisor will encounter a start-up period during which it will incur certain risks relating to the initial investment of its assets. An account may commence trading operations at an unpropitious time, such as shortly before a period during which markets have few or no price trends. Moreover, the level of diversification may be lower during the start-up period than in later periods characterized by the commitment of a greater percentage of assets to trading in certain commodity interests. No assurance can be given that the approach which the Advisor chooses to adopt as a means of moving toward full portfolio commitment will be successful or will not result in substantial losses which might have been avoided by other means of initiating such trading in commodity interests.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN COMMODITY TRADING. POTENTIAL INVESTORS SHOULD READ THE ENTIRE DISCLOSURE DOCUMENT AND CONSULT WITH THEIR OWN FINANCIAL AND TAX ADVISORS BEFORE DECIDING TO INVEST.

CONFLICTS OF INTEREST

An investment in an account managed by the Advisor involves risks due in part to certain inherent or potential conflicts of interests. Among such conflicts are the following:

Proprietary Trading of the Advisor

The Advisor and its principal may trade, or will continue to trade, for their own proprietary accounts; such trading may be extensive. Due to the proprietary nature of such trades, the trading done by the Advisor and its principal will not be made available for inspection. There is a conflict of interest between their interest in trading proprietary accounts in order to maximize trading profits for such accounts and trading client accounts in order to maximize trading profits for clients. A potential conflict of interest may occur when the Advisor and its principal as a result of a neutral allocation system, testing a new trading system, trading their proprietary accounts more aggressively or any other actions that would not constitute a violation of fiduciary duties, take positions in the proprietary accounts which are opposite, or ahead of, the positions taken for a client. The Advisor may also block orders for proprietary accounts with those of customer accounts. Although a fair and equitable method exists for allocating split price and partially filled orders, there may be times when the Advisor's account either receives a better price on a split fill or is filled on an order when the customer is not.

Management of Other Accounts by the Advisor and its Principal

The Advisor and its principal may advise other commodity trading accounts, including commodity pools. These accounts may be traded according to the same trading method described herein. Positions held by all client accounts, as well as the proprietary accounts of the Advisor and its principal, will be aggregated for the purpose of applying the speculative position limits. If these limits were approached or reached by trading directed by the Advisor and its principal for their proprietary accounts or other client accounts, an account might be unable to enter or hold certain positions. Such other accounts managed by the Advisor could also compete with an account for the execution of the same trades. Because of the price volatility, variations in liquidity from time to time, and differences in order execution, it is impossible for the Advisor to obtain identical trade executions for all its clients. In addition, certain clients of the Advisor may pay fees to the Advisor which are higher than that which the Advisor will receive from other clients. As a result, the Advisor will have a conflict of interest between its interest in treating all client accounts alike and its interest in favoring certain clients over others because such clients may pay more in fees to the Advisor. In rendering trading advice to a client, the Advisor and its principal will not knowingly or deliberately favor any other account over the account of a client. No assurance is given that the performance of all accounts managed by the Advisor and its principal will be identical or even similar.

Incentive Fee

The Advisor may receive a monthly incentive fee. In order to generate trading profits, the Advisor may adopt a more aggressive trading strategy than might not be chosen by the Advisor if it were to be compensated in a different manner.

FEES OF THE ADVISOR

The Client will pay the Advisor an incentive fee, which will range between 20-30% of trading profits (paid monthly). The Client will also pay a monthly management fee, which will range between 1-4% annually and a brokerage commission of between $5-$25 per purchase or sale of each futures or futures options contract (per half-turn). Furthermore, to facilitate the execution of trading orders the Advisor may enter into brokerage execution services or "give-up" agreements with third parties on behalf of the customer. Typically, the fees associated with such services are, like brokerage commission, charged per purchase or sale of each futures or futures options contract (per half-turn) and range between $1-$3. All fees may vary depending upon account size and other factors. The Advisor can receive a portion of brokerage commissions on any account that the Advisor manages, and the Advisor does reserve the right to share a portion of brokerage commissions with third parties in accordance with regulatory and industry standards.

Incentive Fee

The Trading Advisor will receive a monthly incentive fee based on trading profits. Trading profits for purposes of calculating the Advisor's incentive fees during a month shall mean the cumulative profits (over and above the aggregate of previous months' profits) during the month (after deduction for brokerage commissions and fees paid and the Advisor's management fee but before deducting the Advisor's incentive fees payable). Trading profits shall include both realized and unrealized profits and losses. Trading profits shall include interest received by the Client on its assets (either interest earned by T-Bills held in the client's accounts or interest earned on funds in the clients carrying broker account which are in excess of the applicable margin requirements). If trading profits for a period are negative, it shall constitute a "Carryforward Loss" for the beginning of the next period. To the extent any funds are withdrawn from a Client's account, any loss attributed to those funds shall be deducted from the Carryforward Loss. No incentive fees shall be payable until future trading profits for the ensuing periods exceed the Carryforward Loss.

Management Fee

The Advisor may charge a management fee, which will be paid monthly, based on nominal account equity as of the end of business on the last day of each month. Nominal account equity shall mean an account's total nominal assets, including all cash and cash equivalents, accrued interest and the market value of all open positions maintained in the account, plus any amount the Client has informed the Advisor of that has been committed to trading in the account, less total liabilities of the account except the management and incentive fees payable to the Advisor, and shall be determined in accordance with generally accepted accounting principles, consistently applied. Any additions or withdrawals during the month will be pro-rated and charged the appropriate management fee.

Management and incentive fees will accrue and be billed monthly. Fees, which have been paid, will not be returned in the event of losses in subsequent periods. All fees will be deducted directly from a Client's account with its Futures Commission Merchant.

Notional/Nominal Account Sizes

The Advisor will accept nominal account sizes and the net account value upon which management fees will be assessed will be based on the nominal account size; that is, fees will not only be based upon the actual funds deposited to the Advisor. For example, assume that a Client deposits $250,000 in a commodity trading account which is managed by the Advisor, but authorizes the Advisor to trade the account with an additional $250,000 of notional funds. In such a situation, the Advisor will manage the account as if $500,000 were initially deposited in it and management fees would be based on the amount of $500,000. In such a situation, if the Client were paying a management fee of 2% of the net account value, the Client would be paying a 4% management fee on the $250,000 actually deposited in the commodity account. In such a situation, the Client will also be paying commissions and other fees based on the amount of $500,000, making them twice as high as a percentage of the

Clients actual funds than they would be if the Client did not authorize the Advisor to trade using additional funds, but the same as they would be were the whole amount of $500,000 actually deposited.

The additional funds, those beyond the actual funds deposited in the account that the Client authorizes the Advisor to trade with, will be considered a static amount. For example, if a Client deposits actual funds totaling $250,000 and at the time of the deposit authorizes the Advisor to trade the account with an additional $250,000 of notional funds, making the notional account size $500,000, and the value of the actual funds subsequently change due to either the net performance of the Advisor or cash additions or withdrawals, the additional funds will still be considered to be $250,000. Although at the time of the initial deposit the nominal account size was twice that of the actual funds deposited, as the amount of the actual funds in the Client's account increases or decreases, that ratio will not remain at two-to-one. Again, the additional funds that the Client authorizes the Advisor to trade the account with will remain the same at $250,000, irrespective of changes in the value of the actual funds.

A Client using an account partially funded with additional funds, who thereby creates a nominal account size larger than that of the actual funds deposited, should be aware of the effects of such a decision on the leverage and margin requirements that the account will be subject to. If, for example, a client deposits $250,000 in a commodity trading account which is managed by the Advisor, but authorizes the Advisor to trade the account with an additional $250,000 of notional funds, making the notional account size $500,000, the leverage each position that the Advisor establishes in the Client account will be twice as high in relation to the actual funds deposited than it would be had the Client deposited actual funds of $500,000. Similarly, the margin requirement that each position that the Advisor establishes in the Client account will be twice as high as a percentage of the actual funds than it would be had the Client deposited actual funds of $500,000. The greater the disparity between the nominal account size and the actual funds deposited or made accessible, the greater is the likelihood and frequency of margin calls and the greater is the size of margin calls as a percentage of the actual funds committed to the Advisor.

OPENING AN ACCOUNT

Each client must read and sign the following:

- **Advisory Agreement** (pp.15,16)
- **Acknowledgment of Receipt of Disclosure Document** (p.17)
- **Letter of Commitment** (p.18)
- **Customer account agreement at brokerage firm of client's choice**

Clients that wish to use notional/nominal funding must also sign:

- **Letter of Direction to Trade a Notional/Nominal Account Size Larger Than Actual Funds Deposited** (p.18)

The client may also sign and return to the Advisor the Arbitration Agreement, although the Client is not required to sign such agreement in order to retain the services of the Advisor.

The minimum initial investment for an account managed by the Advisor is recommended to be at least $100,000 although the Advisor may, in certain circumstances, agree to manage a smaller amount. The Advisor strongly recommends that its clients view a managed futures investment strategy as a long-term investment and, accordingly, should not withdraw capital for at least one year.

ADDITIONAL INFORMATION

Additional information about the Advisor is available from it upon request. Inquiries should be directed to John Yackley, President of Be Free Investments, Inc., at 216 W. Jackson Blvd. / Suite 925 / Chicago, IL 60606. His telephone number is (312) 604-2916. Clients should also consult with their personal tax or financial advisors to obtain an understanding of the impact of trading commodity interests on their tax and financial situations.

SPECIAL DISCLOSURE FOR NOTIONALLY/NOMINALLY FUNDED ACCOUNTS

You should request Be Free Investments to advise you of the amount of cash or other assets (actual funds) which should be deposited for your account to be considered "fully-funded." This is the amount upon which the Advisor will determine the number of contracts traded in your account and should be an amount sufficient to make it unlikely that any further cash deposits would be required from you over the course of your participation in Be Free Investments' Income or Stocks Plus investment strategies.

You are reminded that the account size you have agreed to in writing (the "notional" or "nominal" account size at which your account will be considered "fully funded") is not the maximum possible loss that your account may experience. You should consult the account statements received from your futures commission merchant in order to determine the actual activity in your account, including profits, losses and current account information. To the extent that the equity in your account is at any time less than the nominal account size you should be aware of the following:

1. Although your gains and losses, fees and commissions measured in dollars will be the same, they will be greater when expressed as a percentage of account equity.

2. The greater the disparity between the nominal account size and the actual funds deposited or made accessible to the FCM, the greater is the likelihood and frequency of margin calls and the greater is the size of margin calls as a percentage of the actual funds committed to Be Free Investments.

3. The following table may be used to convert the rates-of-return ("RORs") of the Income and Stocks Plus strategy (see PAST PERFORMANCE FOR THE INCOME STRATEGY on page 6 or PROPRIETARY PAST PERFORMANCE FOR THE INCOME STRATEGY on page 14 or PAST PERFORMANCE FOR THE STOCKS PLUS STRATEGY on page 7) to the corresponding RORs for particular partial funding levels.

ACTUAL RATE OF RETURN (1)	RATE OF RETURN BASED ON VARIOUS FUNDING LEVELS (2)		
	100%	**75%**	**50%**
20.0%	20.0%	26.7%	40.0%
10.0%	10.0%	13.3%	20.0%
0.0%	0.0%	0.0%	0.0%
-10.0%	-10.0%	-13.3%	-20.0%
-20.0%	-20.0%	-26.7%	-40.0%

Footnotes to Table

(1) This column represents the range of actual rates of return for fully funded accounts reflected in the accompanying performance table.

(2) These columns represent the rate of return experienced by an account at various levels of funding traded by the Trading Advisor. The rates of return for accounts that are not fully funded are inversely proportional to the actual rates of return based on the percentage level of funding.

PROPRIETARY PAST PERFORMANCE FOR THE INCOME STRATEGY

The performance shown in the tables below is for a proprietary account that Mr. John Yackley traded in pursuant to the Income strategy. Fees and commissions charged to clients may be higher than those charged to this account thereby potentially resulting in lower returns.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Annual Rates of Return[7] *(without use of leverage / notional funding)*

2002	2003	2004
+18.8%	**+9.7%**	**+6.7%**

Monthly Rates of Return[8] *(without use of leverage / notional funding)*

	2002	**2003**	**2004**
January	+1.62%	+0.89%	+0.39%
February	+1.42%	+2.75%	+1.12%
March	+1.84%	+0.22%	-0.92%
April	+2.36%	+0.44%	+0.21%
May	+2.41%	-1.42%	+1.92%
June	+2.05%	-1.14%	+1.77%
July*	-4.14%	+0.81%	+2.08%
August	+1.94%	+2.35%	
September	+5.43%	+1.50%	
October	+0.45%	+2.30%	
November	+0.39%	+0.21%	
December	+1.88%	+0.37%	

Proprietary accounts directed according to Income strategy as of August 1, 2004	1
Total Assets Under Management in proprietary accounts as of August 1, 2004	$105,098.32
Worst Monthly Percentage Draw-Down[9]	(July 2002) -4.14%
Worst Peak-to-Valley Draw-Down	(July 2002) -4.14%
Date the Advisor began trading proprietary accounts pursuant to the Income Strategy	January 1, 2002
Proprietary accounts that traded pursuant to the Income strategy that closed with a profit	no accounts have closed
Proprietary accounts that traded pursuant to the Income strategy that closed with a loss	no accounts have closed with a loss

[7] A Rate of Return shows the percentage gain or loss for that year. The Rate of Return is calculated by dividing the net performance for the year to date by the account value at the beginning of that year, NOT by simply adding the Monthly Rates of Return in that year.

[8] A Monthly Rate of Return is calculated by dividing the net performance for the month by the account's value at the beginning of the month.

[9] Draw-Down means losses experienced by an investment account over a specified period of time.

ADVISORY AGREEMENT

THIS AGREEMENT FOR ADVISORY SERVICES is made and entered into on this the ______ day of **________________________,** 2004 by and between Be Free Investments, Inc., hereinafter referred to as "the Advisor" and **______________________**, hereinafter referred to as "the Client."

THIS AGREEMENT IS ENTERED INTO BASED UPON THE FOLLOWING REPRESENTATIONS:

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

IT IS MUTUALLY AGREED THAT:

1. The Client shall deposit with Rosenthal Collins, LLC, a Futures Commission Merchant ("FCM"), hereinafter called "the Broker," funds and/or securities in the amount of $____________________________.

2. The Advisor, as compensation for advisory services, charges a monthly management fee **of at most 0.25%** based on account equity as of the end of the month (as defined on page 11) and a monthly incentive fee of **at most 30%** based on trading profits as of the end of the month (as defined on page 11).

The Advisor will receive a monthly **management fee** based on the Client's account equity as of the end of business on the last day of each month. Account equity shall mean an account's total assets, including all cash and cash equivalents, accrued interest, any notional/nominal funds and the market value of all open positions maintained in the account, plus any other amount the Client has informed the Advisor of that has been committed to trading in the account, less total liabilities of the account except the management and incentive fees payable to the Advisor, and shall be determined in accordance with generally accepted accounting principles, consistently applied. Any additions or withdrawals during the month will be pro-rated and charged the appropriate management fee.

The Advisor will receive a monthly **incentive fee** based on trading profits achieved as of the end of business on the last day of each month. Trading profits shall mean the cumulative profits during the month that are over and above the aggregate of the previous months' profits after deducting all brokerage commissions and fees paid as well as the Advisor's management fee but before deducting the Advisor's incentive fee. Trading profits shall include both realized and unrealized profits and losses. Trading profits shall include interest received by the Client on its assets (either interest earned by Treasury Bills held in the clients accounts or interest earned on funds in the clients carrying broker account which are in excess of the applicable margin requirements). If trading profits for a period are negative, it shall constitute a "Carryforward Loss" for the beginning of the next period. To the extent any funds are withdrawn from the Client's account, any loss attributed to those funds shall be deducted from the Carryforward Loss. No incentive fees shall be payable until future trading profits for the ensuing periods exceed the Carryforward Loss.

The Advisor will bill all fees directly to the Broker. The fees will be paid out of the Client's account. The Advisor reserves the right to share any portion of these fees with third parties in accordance with regulatory and industry standards.

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

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

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

6. The Advisor's recommendations and authorizations shall be for the account and risk of the Client. The Advisor makes no guarantee that any of its services will result in a profit to the Client. The Client has discussed the risks of futures trading with the Broker and understands those risks. The Client assumes the responsibility of losses that may be incurred.

7. The Client agrees to execute a power of attorney and trading authorization with the Broker authorizing the Advisor to enter orders for commodity interests for the Client's account.

8. The Client agrees to authorize payments from the Client's account to the Advisor in compensation for services as set forth in this agreement. The Advisor will inform the Broker of the exact amounts to be deducted and remitted to the Advisor at the end of each month. The Client acknowledges and agrees that the Advisor is solely responsible for the computation of fees and authorizes the Broker to rely on remittance instructions submitted by the Advisor completely without regard to amount. This authorization will continue in effect until you have received written notice from the Client terminating it. Such notice will be mailed or delivered to the Advisor and to the account executive handling this account.

9. The Client acknowledges that he has read a copy of the Advisor's most current Disclosure Document, including the Risk Disclosure Statement and (if the Client intends on using notional/nominal funding) the Special Disclosure for Notionally/Nominally Funded Accounts. The Advisor makes no guarantee that any of its services will result in a gain for the Client. The Advisor will not be liable to the Client or to others except by reason of acts constituting willful malfeasance or gross negligence as to its duties herein, and disclaims any liability for human or machine errors in orders to trade or not to trade commodity interests.

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

11. By depositing funds with the Broker, the Client acknowledges and accepts the propriety of the Advisor's trading strategy and the Client's suitability to bear the economic risk of loss in commodity trading in commodity interests and understands that a potential loss is by no means limited to the amount of assets which he commits to the account.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

____________________________	______	____________________________	______
Authorized Signature	**Date**	**Authorized Signature**	**Date**

_________________________________	_________________________________
Client's Name	**Client's Name** *(if two persons signing)*
____________________________________	____________________________________
Address	**Address**
____________________________________	____________________________________

RECEIPT OF COMMODITY TRADING ADVISORY DISCLOSURE DOCUMENT

for

Be Free Investments, Inc.

The undersigned hereby acknowledges receipt of the Disclosure Document Dated August 1, 2004.

____

_______ **I wish to invest in the Income investment strategy**
initials *(Past Performance for the **Income** investment strategy is available on page 6)*

_______ **I wish to invest in the Income investment strategy USING NOTIONAL/NOMINAL FUNDING**
initials *(Past Performance for the **Income** investment strategy is available on page 6 and proprietary performance for the **Income** investment strategy is available on page 14. Also see pages 13 and 18 for more information on nominal/notional funding)*

______ **I wish to invest in the Stocks Plus investment strategy**
initials *(Past Performance for the **Stocks Plus** investment strategy is available on page 7)*

______ **I wish to invest in the Stocks Plus investment strategy USING NOTIONAL/NOMINAL FUNDING**
initials *(Past Performance for the **Stocks Plus** investment strategy is available on page 7. Also see pages 13 and 18 for more information on nominal/notional funding)*

______________________________	______	______________________________	______
Authorized Signature	**Date**	**Authorized Signature**	**Date**

____________________________________	____________________________________
Client's Name	**Client's Name** *(if two persons signing)*

LETTER OF COMMITMENT

and

(if applicable)

LETTER OF DIRECTION TO TRADE A NOTIONAL / NOMINAL ACCOUNT SIZE LARGER THAN ACTUAL FUNDS DEPOSITED

The undersigned, __________________________, hereby acknowledges that he/she/they have committed money, securities or other tangible property (actual funds) in the total amount of $_____________________ to a managed account investment strategy directed by Be Free Investments, Inc., a registered Commodity Trading Advisor (CTA). *(If you are investing in the **Income** investment strategy or **Stock Plus** investment strategy and intend on making use of notional/nominal funding, please read and sign the bottom half of this page.)*

The above-named FCM, the Broker, is hereby instructed to provide to Be Free Investments, Inc., for the duration of the period, for which they manage my commodity account, all monthly statements and confirmations for the above-referenced account(s) for the express purpose of verifying on a periodic basis the total funds committed to Be Free Investments, Inc.

______________________________	_______	______________________________	_______
Authorized Signature	**Date**	**Authorized Signature**	**Date**

____________________________________	____________________________________
Client's Name	**Client's Name** *(if two persons signing)*

NOTIONAL / NOMINAL FUNDING

(if applicable)

If the undersigned is investing in the Income strategy and wishes to have his/her/their account managed based on an account size larger than the "actual funds" committed above, the undersigned hereby states that he/she/they authorize(s) the Advisor to trade the account with an additional $ _______________________ of notional/nominal funds making the "fully funded" account size $_____________________. This is the amount upon which the Advisor will determine the number of contracts traded in your account. Note again also that all applicable fees shall be assessed based the account's notional/nominal account size (actual plus notional/nominal funds). Please refer to **Fees of the Advisor** (page 11) for more details concerning fees.

______________________________	_______	______________________________	_______
Authorized Signature	**Date**	**Authorized Signature**	**Date**

____________________________________	____________________________________
Client's Name	**Client's Name** *(if two persons signing)*