



Why choose cattle feeding as an investment?

Cattle feeding is an opportunity to leverage the value of capital. As little as \$150 in equity will finance an animal initially worth \$700 to \$800 with a harvest value of \$1000 or more.

With proper risk management, leverage of the original investment can be used to achieve a superior return on equity.

An otherwise small profit of \$10 per head on two “turns” of cattle in a year will return as much as 15% on your initial investment.

Why join a cattle feeding club?

The advantages of a cattle feeding club are similar to those of a mutual fund—risk management, diversification and professional management.

In traditional cattle feeding, \$5,000 will margin roughly 33 head of cattle. In this scenario, market timing, feedlot performance and health risks are tied to a relatively small number of animals—increasing your exposure.

By comparison, a club with investment capital of \$750,000 will diversify your investment and your risk over 5,000 head of cattle and multiple seasonal marketing opportunities.

In addition to diversification, Club Fed, LLC membership provides expert hedge management, professional procurement services and accounting by a market leader, Ordway Feedyard.

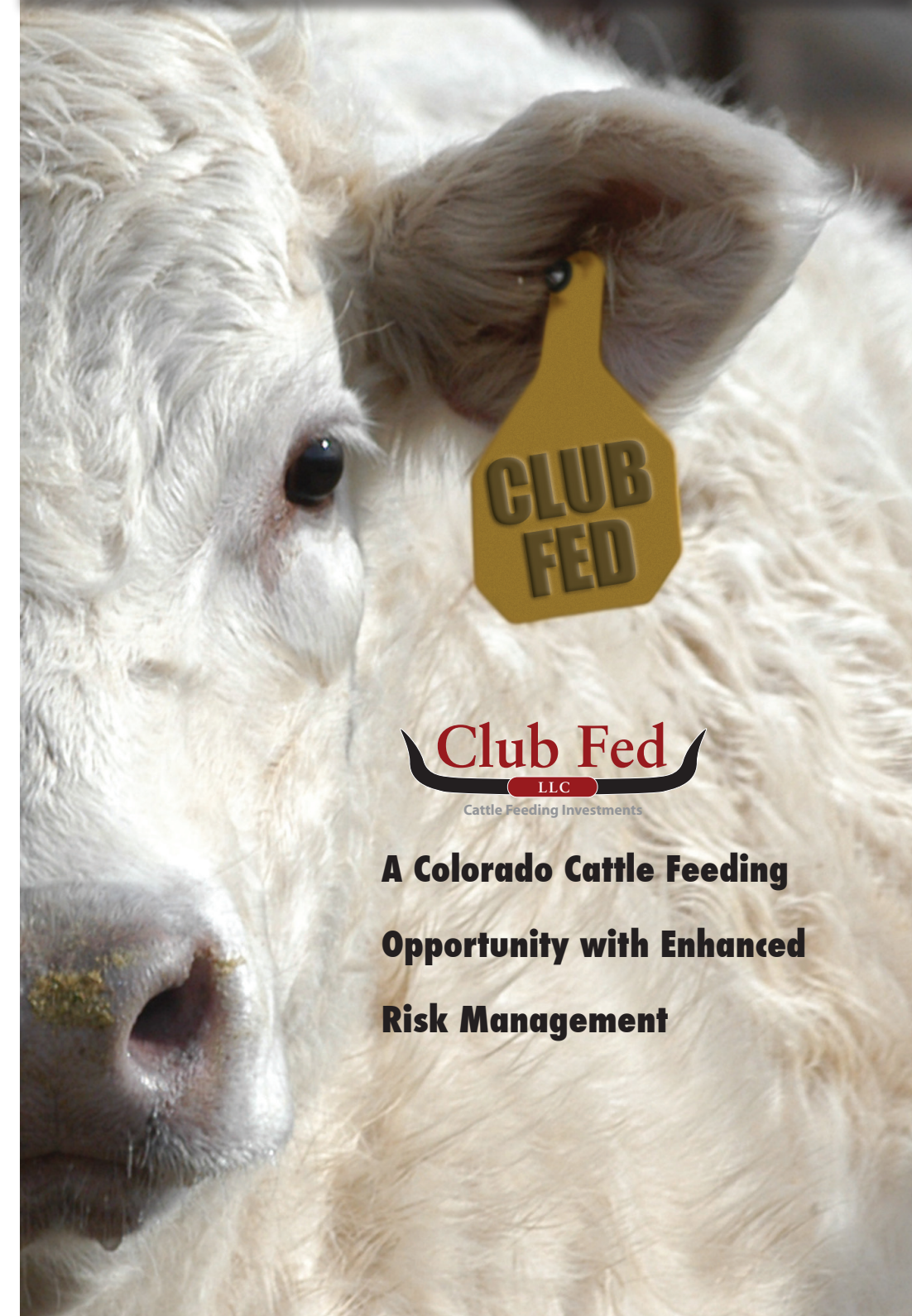
Club Fed, LLC | Ordway, Colorado | 719-267-3551

Your personal invitation to join the Club



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**A Colorado Cattle Feeding
Opportunity with Enhanced
Risk Management**

Looking for an investment that performs? Call today — It's time you joined the Club.

What portion of my portfolio should be in cattle?

Feeding cattle entails some risk, but has the opportunity to provide returns in excess of 15%. Each investor must evaluate the investment risk they are willing to accept, and at what rate of return.

Investors rarely put “all their eggs in one basket”. We encourage you to consider investing a percentage of your portfolio in Club Fed, LLC. The added risk brings the potential for higher returns compared to other investments.

Risk Management — Market Options and Futures

Investors’ risk will be managed in several ways. Options (put options on live cattle contracts) will be in place to protect the investors’ initial investment at levels in which the investor cannot lose more than their initial investment. Futures contracts will be utilized to “lock in” desired profit objectives when available. General risk management principles will be explained at quarterly meetings.

Tax Planning

Taxes will be avoided until the end of the 5-year investment period by utilizing a cash-based accounting system as well as by pre-paying feed when necessary. Please consult your tax professional for strategic planning.

Join the Club

To join Club Fed, LLC, or for more information, contact Ordway Feedyard Manager Luke Larson at 719-267-3551 (cell 719-469-4848) or e-mail luke@ordwayfeedyard.com



Cattle Feeding Investments

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15% Annualized Return

The goal of the cattle feeding club will be to provide at least a 15% annualized ROI over a 5 year period. Investors’ capital will be utilized for margin to feed cattle at Ordway Feedyard.

A 15% annualized return for a period of 5 years will double the value of the original investment, i.e., a \$5,000 investment would become \$10,057.

A Limited Liability Company

A limited liability company will be formed for the club with ownership percentages based on initial investment contributed. Ordway Feedyard staff will track the cattle and hedges, providing reports to investors at each quarterly meeting, as well as a year-end summary for taxes (the club will be responsible for paying any CPA fees required for final tax preparation).

\$5,000 Minimum Investment

A minimum investment of \$5,000 will constitute one voting share in the club. This investment will remain in the cattle feeding club for 5 years at which time the initial investment, as well as the profit/loss, will be distributed to shareholders. \$750,000 of initial capital investment is desired in order to share risk over a large volume of cattle. Under current market conditions, \$1 million would margin 6,000 to 7,000 cattle.

Cattle Procurement

Cattle will be procured by Ordway Feedyard for the clubs’ approval. Emphasis will be placed on predictable cattle with staggered marketing times (goal will be to have cattle shipping consistently throughout the year).



Ordway Feedyard

Ordway Feedyard is a 50,000-head capacity facility built in 1975 and part of the larger Four States Feedyards group, 200,000 head total capacity. Ideally located in a low-precipitation pocket (under 12 inches of moisture annually) in southeastern Colorado, pens are mud-free year round and low humidity helps take the “bite” out of winter cold and summer heat.

The family-owned operation is guided by General Manager Joe Spitz and Manager Luke Larson. Attention to detail, a team-oriented approach, hard work, integrity and an outstanding location help set Ordway Feedyard apart from other feeding operations.

Ordway Feedyard