

180 % p.a.

Automated Trading System

HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN.

FOREX TRADING ALGORITHM

The intended and sole purpose of this document is to provide some initial background information on the Forex Trading Algorithm (“FTA”) to selected and relevant interested parties. This is for discussion purposes only. This document does not constitute any invitation to make any investment nor does it seek participation in the “FTA” from third parties on any basis whatsoever. The document is not directed to any individual investor. The unauthorized dissemination of this document is strictly forbidden.

Dated: May 1, 2015

HIGHLIGHTS OF FOREX TRADING ALGORITHM

Software program to predict changes in foreign exchange prices.

Financial performance to date, based upon back testing and live performance demonstrates a simulated average annual rate of return of 180% .

Capable of executing transaction orders to buy or sell currency pairs on a fully automated basis with a FXCM, a Retail Forex Dealer in the U.S.A.

Alternative brokers including Interactive Brokers will also be accommodated in the future.

Fully automated system without the need for any human intervention.

The “FTA” Trading program:

Hardware, software architecture: The trading program is executed by a computer software – “FTA” employs a trading strategy with the code name MC18CO01_153-A02-THRS04_4x298-TR02. The software is located on the servers of its developers and is not downloadable by users. The software is compatible with Forex Connect API and FIX protocol. Access to the software is given under a subscription. The software executes trades on the brokerage accounts of the subscribers. There is no human interaction in the scope of trades during the operation of the “FTA”. The human activity is limited to the supervision of the hardware and software and resetting in the event of a software crash.

“FTA” trades only the following currency pairs:

- | | | |
|------------|-------------|-------------|
| 1. EUR/USD | 8. USD/JPY | 15. NZD/JPY |
| 2. EUR/GBP | 9. CHF/JPY | 16. AUD/CHF |
| 3. EUR/CHF | 10. GBP/CAD | 17. NZD/CHF |
| 4. AUD/USD | 11. USD/NOK | 18. EUR/AUD |
| 5. GBP/USD | 12. USD/MXN | |
| 6. GBP/CHF | 13. EUR/JPY | |
| 7. USD/CHF | 14. AUD/JPG | |

Trading Strategies:

The software design is the intellectual property owned by “IVP” and is a trade secret of its developers. “FTA” employs a combination of strategies suitable for time series both with trend reinforcing and mean reversing characteristics. The algorithm switches automatically between the incorporated strategies while in operation without any need of human intervention.

The trend following components of the “FTA” incorporate proprietary noise filtration technology. This technology removes market noise from the flow of price data in order to generate noise free trading signals. The “FTA” is programmed to detect as early as possible even the shortest tradable trends with a high probability of generating profits. As a result of following even the shortest of market trends, the “FTA” is expected to outperform any long term trend following strategy. The “FTA” detects trends much earlier than any manual trading

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method or commonly known indicators. This allows the “FTA” to take advantage from trends detected before it changes or loses momentum. Trend following strategies are designed to maintain an open position (short or long) for each of the currency pairs at all times.

The “FTA” uses a proprietary pattern detection algorithm in order to activate trades based on a mean reversal concept. The pattern recognition approach uses metrics and inputs calculated on historical price data to detect any repeatable patterns. This process, in order to produce meaningful results requires substantial computational power and the ability to incorporate knowledge from many different sciences, not only mathematics, physics but also neurosciences and even plain biology. Pattern recognition system provides decisions based on known samples on which it is trained in order to be able to classify new incoming patterns. In the event that activation function criteria for a mean reversal strategy are triggered, the long or short position will be opened, and maintained until the pattern is completed or is denied, then the position is closed.

The size of the opened positions is correlated to the strength of the pattern returned by the recognition module of the “FTA”. The money management policy of the “FTA” is accordingly adjusted to the size of the account and margin requirements of the dealer.

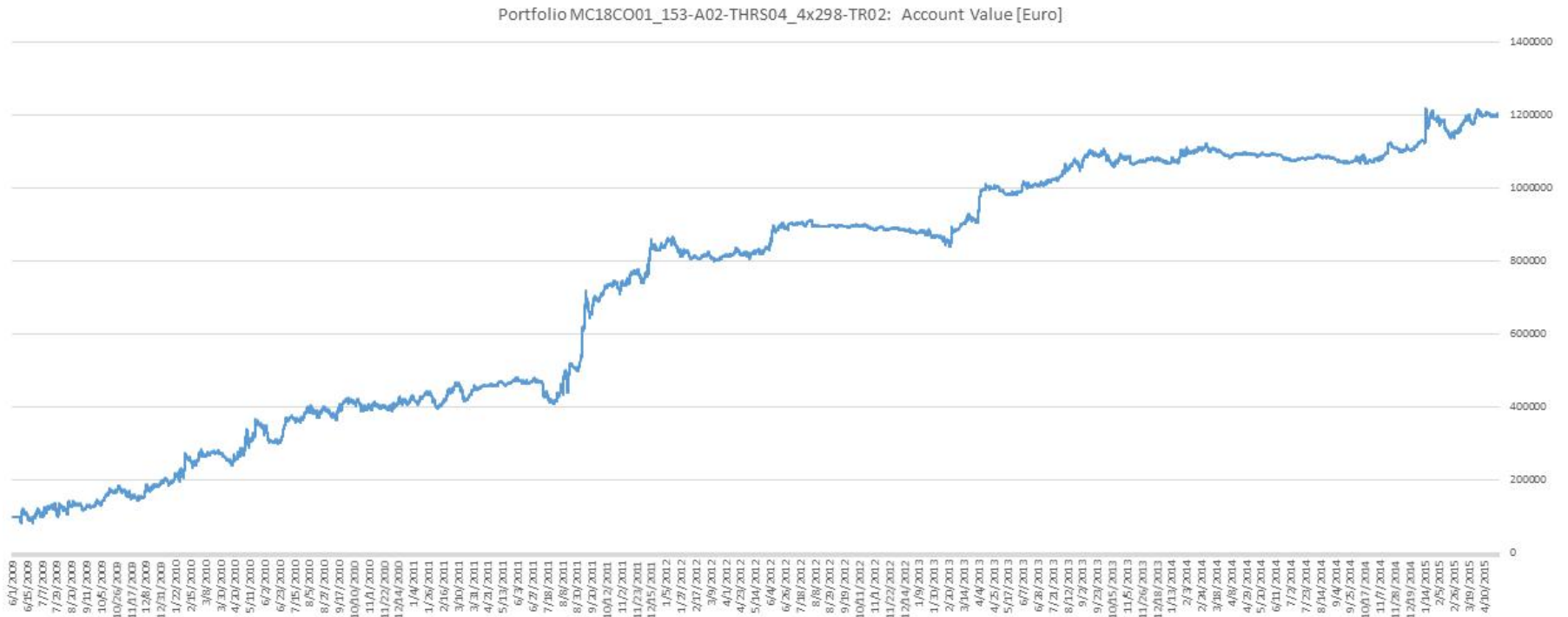
Forex Trading Algorithm simulated performances of a portfolio of instruments.

The presented performances are all simulations. Until September 2014 the strategy has been in back testing mode and since September 2014 the same strategy has been tested in a forward walk as well as on virtual money demo accounts and real money accounts to a lesser extent. The tests have shown that performance is almost identical on the simulation, demo and real accounts, with one exception. The exception relates to CHF pairs during and after Jan 15, 2015. Since the CHF flash crash the conditions for trading CHF have changed significantly (mostly as regards to margin requirements). If you are interested in the implications of the Jan 15 2015, CHF flash crash, please request this additional information. All performance analysis is based on the concept of not reinvesting of profits.

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FOREX TRADING ALGORITHM

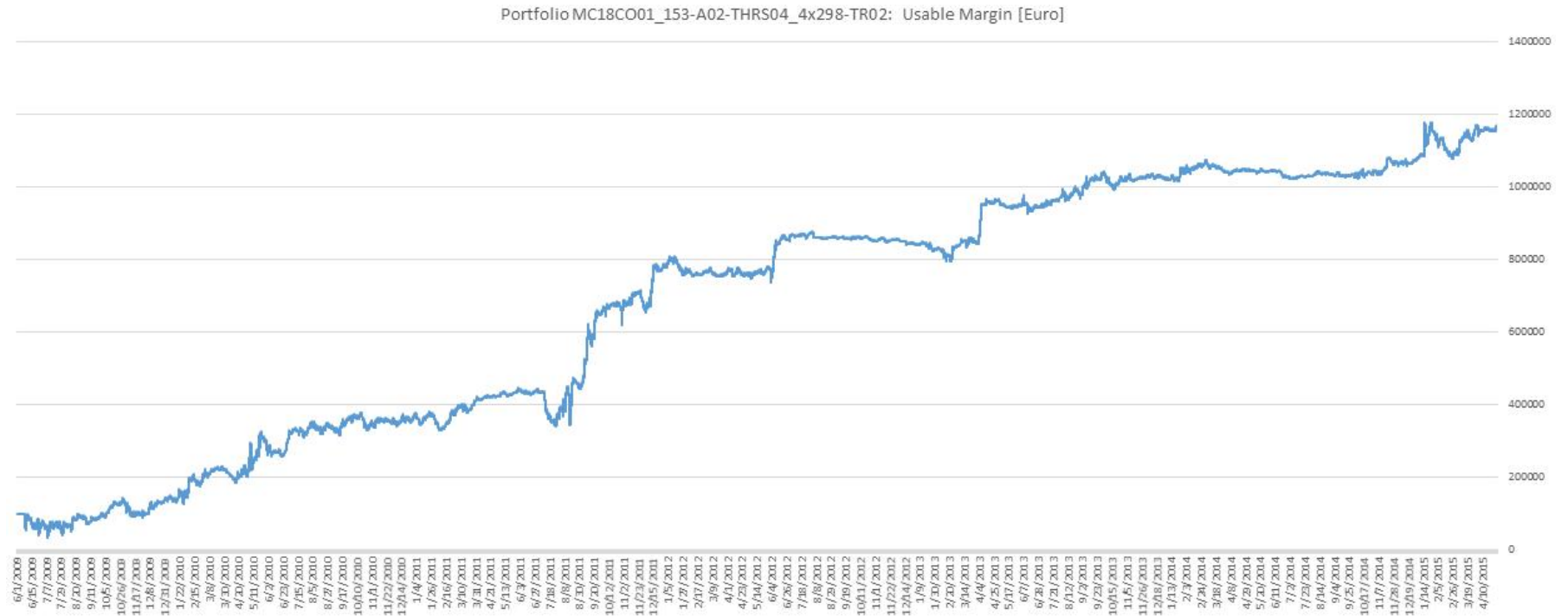
The initial simulated capital was: 100,000.00 Euro. The margin requirement for all traded pairs was: 2% (after Jan 15, 2015 the margin requirement was raised by the broker but this fact is not reflected in the simulation)



Simulation duration: 6 years

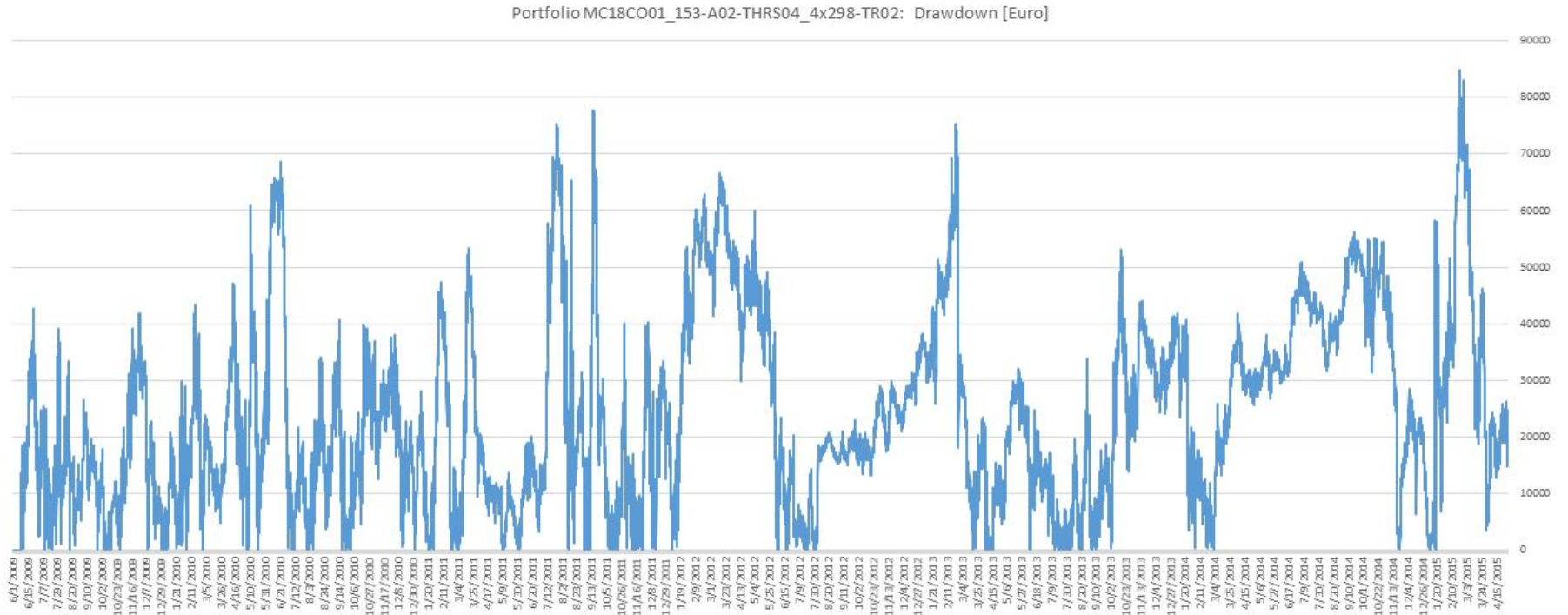
Start capital: 100,000.00 Euro End capital: 1,203,759.99 Euro

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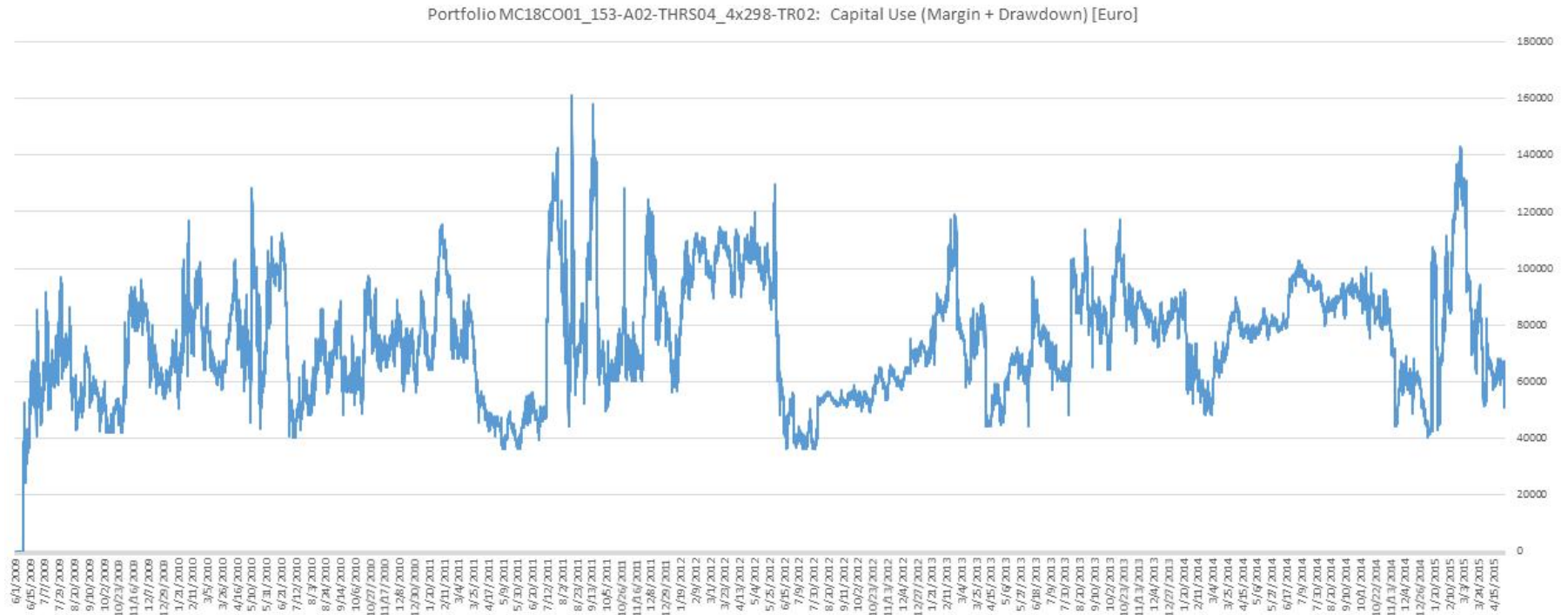
Minimum Usable Margin: 33,483.20 Euro

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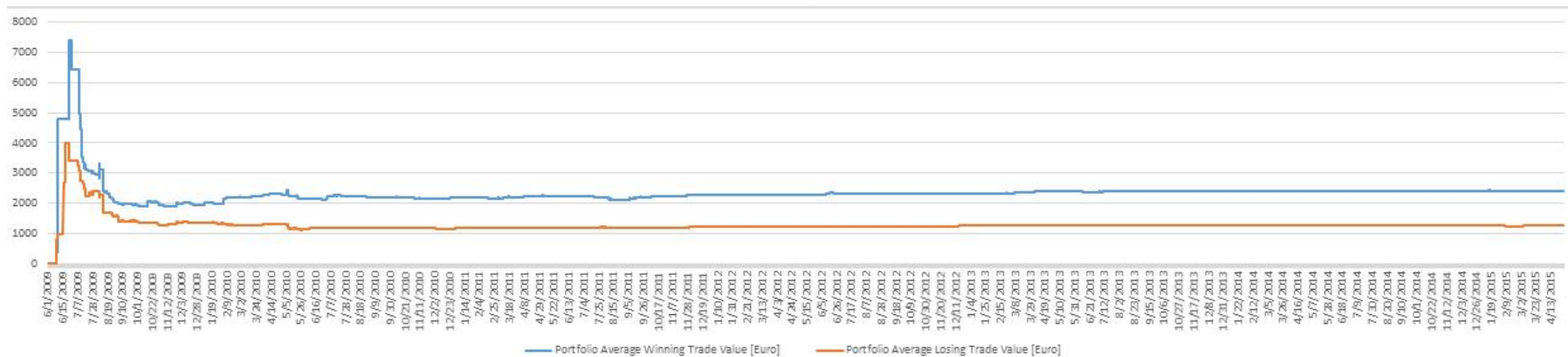
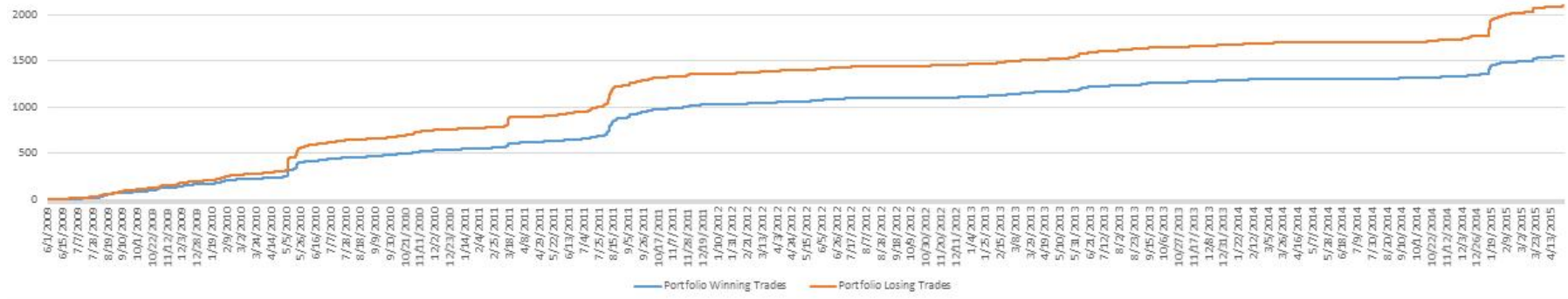
Maximum Drawdown: 86,056.70 Euro

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Maximum Capital Use (Margin + Drawdown): 161,320.00 Euro

FOREX TRADING ALGORITHM



Number of winning trades: 1551
 Number of losing trades: 2094
 Average duration of trades: 10 hours

Average size of winning trade: 2,400.00 Euro
 Average size of losing trade: 1,250.00 Euro

FOREX TRADING ALGORITHM



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	SUM	
2009	0.00	0.00	0.00	0.00	0.00	9,302.76	12,840.90	10,791.70	4,061.96	32,113.10	-13,131.70	41,882.20	97,860.92	
2010	31,407.80	39,448.50	3,634.58	-7,356.83	78,426.90	6,455.69	37,160.80	2,861.03	20,920.90	-15,643.80	9,043.98	25,058.40	231,417.95	
2011	-4,258.16	16,230.50	7,970.85	9,384.16	15,196.10	-4,976.93	-49,821.40	92,204.60	189,776.00	18,771.80	26,119.80	94,578.90	411,176.22	
2012	-9,646.04	-14,138.90	-282.71	5,884.45	12,128.60	67,914.40	7,252.07	-13,203.70	-1,897.27	-7,832.46	2,232.66	-9,491.48	38,919.62	
2013	-11,607.30	16,067.50	31,345.20	87,405.40	-13,720.20	21,115.90	26,540.30	24,317.50	35,354.30	-9,802.21	-13,611.80	-111.87	193,292.72	
2014	21,989.60	23,645.30	-28,294.20	4,855.01	-6,330.77	-7,239.11	230.30	2,408.98	-10,248.90	4,654.85	29,371.80	5,736.00	40,778.86	
2015	76,381.70	-39,384.30	63,481.20	-10,164.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90,313.70	
													TOTAL [Euro]	1,103,759.99