

The logo for ICEFX, featuring the word "ICE" in a standard sans-serif font and "FX" in a bold, italicized sans-serif font. A small blue diagonal line is positioned above the top right corner of the "X".

ICEFX

Indexes

Complete investment portfolios for investors.

Index creating consists of several steps

Due diligence (managers selection)

The Company thoroughly selects and tests all managers who are included into the portfolio products of the Company. Each trader is individually reviewed and analyzed.

The Company doesn't support an idea that managers can be selected by some set of statistical parameters. This approach is commonly implemented in the wide range of companies.

It is impossible to group the huge variety of trading systems, risk management and money-management approaches into some boundaries.

Complete analysis of the trading system

Analysis of the trading idea, which is used in the strategy to understand the potential of delivering profits in the future;

Analysis of how the manager implements rules of his trading strategy;

Analysis of the risk and money management;

Statistical analysis of past performance;

Analysis of how trading results correlate with trading conditions;

Analysis of how the strategy can be scaled to bigger investments.

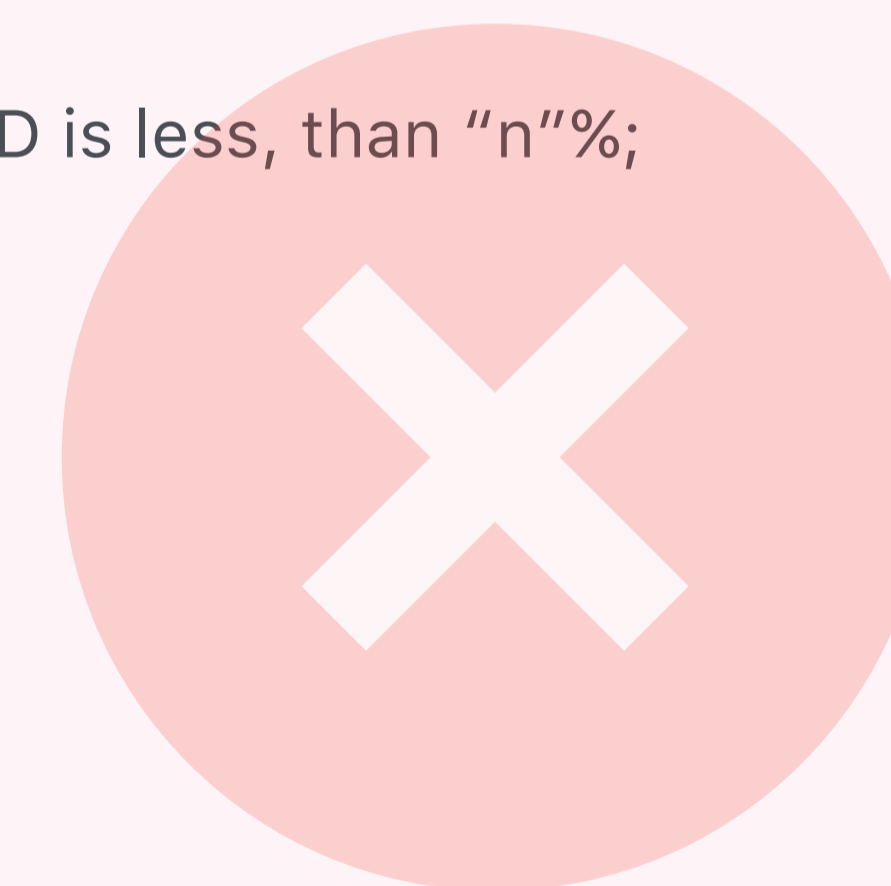
Statistical analyses

Track record is more than "n" months;

Return is more than "n" %;

Maximal DD is less, than "n"%;


Etc...



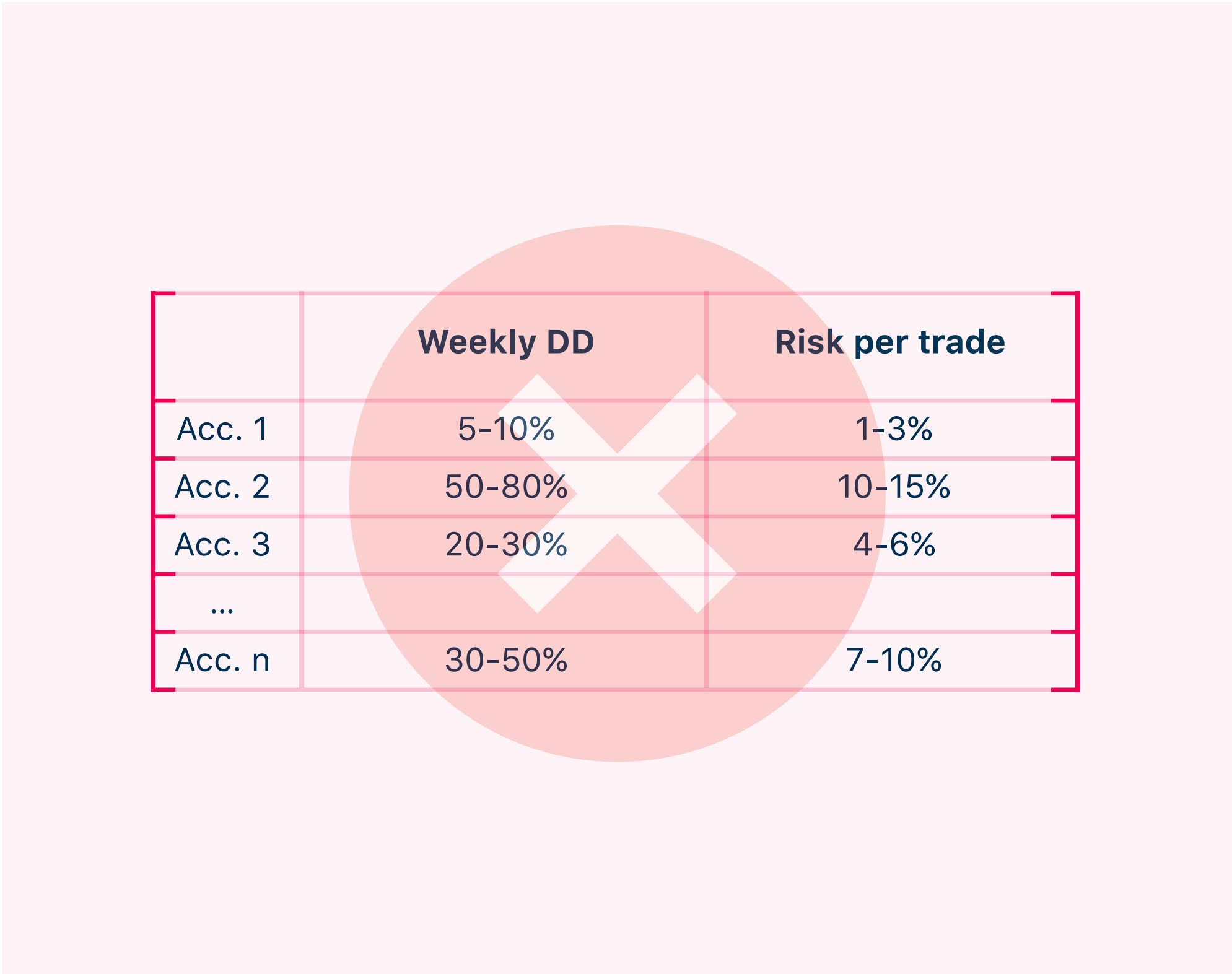
Risk standardization

All managers who passed the due diligence procedure are standardized to the level of maximum risk per trading period (maximum loss during trading week). It is usually set to max weekly loss of 5-10%. This value can fluctuate from 5 to 10% depending on the performance of the trading strategy.

The risk standardization improves accuracy of risk calculations and helps to make portfolios more balanced.



	Weekly DD	Risk per trade
Acc. 1	5-10%	1-3%
Acc. 2	5-10%	1-3%
Acc. 3	5-10%	1-3%
...		
Acc. n	5-10%	1-3%



	Weekly DD	Risk per trade
Acc. 1	5-10%	1-3%
Acc. 2	50-80%	10-15%
Acc. 3	20-30%	4-6%
...		
Acc. n	30-50%	7-10%

You can find more detailed explanation of the standardization in the Multiplication chapter.

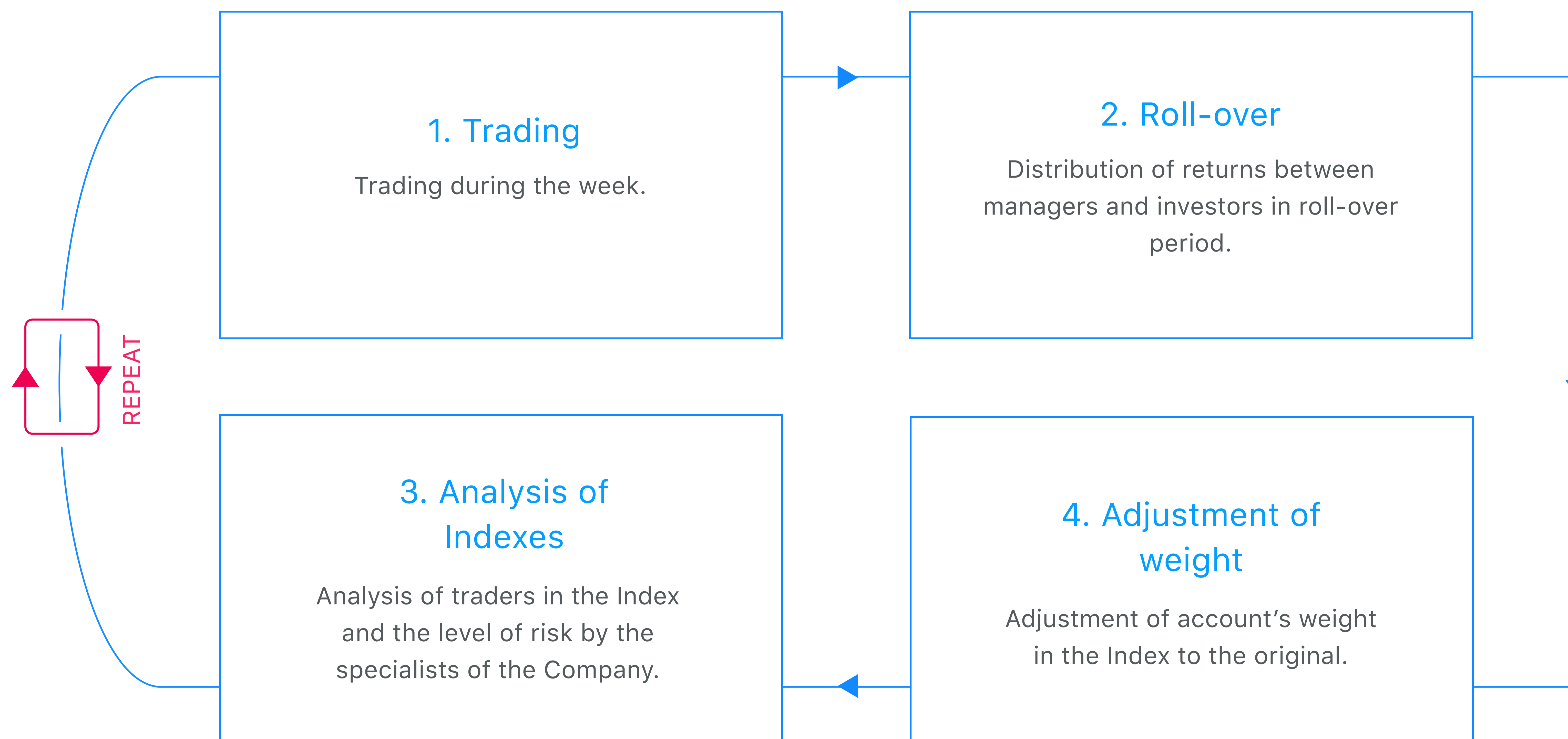
Index formation

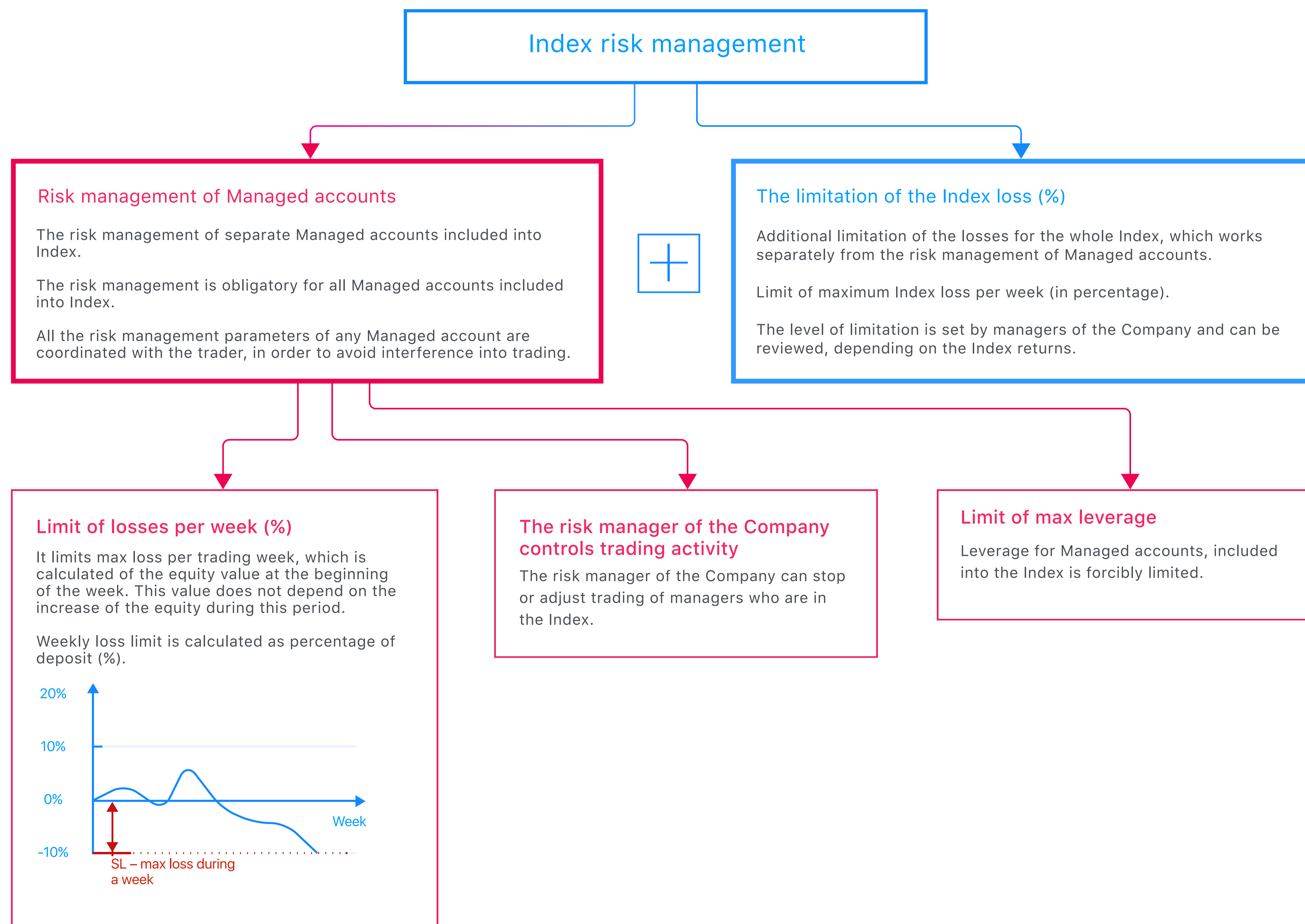
1. Risk is the most important parameter for all calculations. It is used for defining possible losses, which is essential for any investor, in comparison with the limit of possible returns;
2. Each account should have equal weight in the portfolio and affect it in the same way. It means that can't be a case when one manager makes loss comparatively bigger than other traders, and brings the whole portfolio down;
3. The risk standardization makes it easier to prepare portfolios by the parameters above. With the help of it:
 - No need to individually calculate weight of each manager in the portfolio, because the risk and volatility of accounts, with the same multiplication level (basic account, "multi-copy" account *2..), are adjusted to the equal level;
 - A balanced portfolio can be created by simply including accounts with the equal level of multiplication and weight into it.

Manager in Index	Weekly DD	Average volatility of weekly returns	Weight of the account in the Index
Acc. 1	5-10%	5%	25%
Acc. 2	5-10%	5%	25%
Acc. 3	5-10%	5%	25%
Acc. 4	5-10%	5%	25%

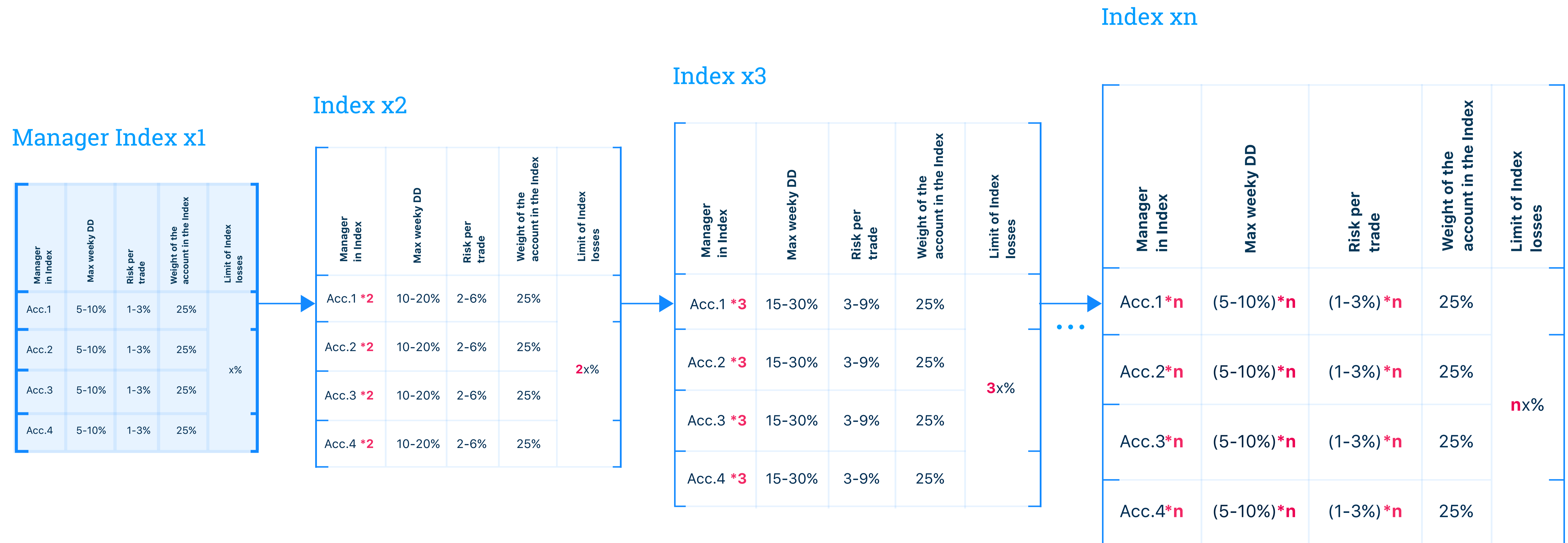
Manager in Index	Weekly DD	Average volatility of weekly returns	Weight of the account in the Index
Acc. 1	5-10%	5%	10%
Acc. 2	5-10%	5%	60%
Acc. 3	5-10%	5%	15%
Acc. 4	5-10%	5%	15%

Index algorithm





Multiplication



1. Each Index has a multi-copy. The same logic as with a separate account is applied;

2. Multi-Index is combined of accounts with the same multiplication-coefficient;

3. Multiplication coefficient of Index and accounts which are included in it are equal;

4. Due to the standardization, parameters of the Index are growing as a multiple of the multiplication coefficient.

Types of Indexes

Currently the Company offers 3 Indexes, which are prepared by different logic:

iPro

This Index is the most conservative from all available in the Company. Trading algorithms, which support those strategies, will exist as long as the market operates. They are classic trend systems, SWING-trading, breakout strategies and trading the inertia of the price after strong news releases.

This strategy completely excludes such things as:

- Averaging without limit of loss;
- Martingale;
- Increasing of stop-loss level
(keeping losing trades for a long period of time);
- And other techniques of risk increasing.

Advantages:

- Combination of strategies with long track record and high potential of delivering in the future;
- Decreased risk of losses;
- Excludes toxic money management approaches (martingale, averaging etc).

Disadvantages:

- Comparatively low ROI (return on investment);
- High chance of strategies to deliver zero ROI for almost one year.

iComposite

This is combination of iPRO and iMAIN Indexes. This Index is combined of all traders from Index iPRO and iMAIN, with specific weights in it, which are dynamically changing based on the set of traders in them.

Therefore, iCOMPOSITE combines best features and specific characteristic of them and has the best diversification between trading strategies and instruments.

Advantages:

- Combination of strategies with long track record and high potential of delivering in the future;
- Risk and return are well balanced;
- Maximum diversification between strategies and trading instruments.

Disadvantages:

- Slight presence of risk increasing techniques (addition to losing positions);
- High chance of strategies to deliver zero ROI for almost one year.

iMain

This Index is more aggressive than iPro. Qualification of traders for this Index doesn't significantly differ from the same process in Index iPRO, besides more aggressive money-management.

This strategy completely excludes such things as:

- Averaging without limit of loss;
- Martingale.

Slight risk increasing techniques can be done and are allowed. They are as follows:

- Adding trades into the profitable direction (If price goes into the direction of take profit – trader will add additional trades into that direction);
- Additional trades can be placed if price moves in the direction of stop loss, but with clear stop loss level for the whole set of trades.

Advantages:

- Combination of strategies with long track record and high potential of delivering in the future;
- Risk and return are well balanced;
- Excludes toxic money management approaches (martingale, averaging etc).

Disadvantages:

- Slight presence of risk increasing techniques (addition to losing positions).

ICEFX

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