

Start a FOREX Fund and make your own fortune

SPOT CURRENCY TRADING "FX" IS THE NEWEST AND FASTEST GROWING INVESTMENT VEHICLE IN THE HEDGE FUND INDUSTRY.

Now there is an *easy* way for successful traders to set up their own Spot Forex Fund where:



- You are the Fund Manager;
- You Earn the Incentive Fee;
- You control the Investment and trading strategy.

FX-hedgefunds Inc. provides to you:

- The Turn Key Start up at a fraction of the traditional start-up costs.
- The **FX-hedgefunds Inc.** back office that permits you to control the general operations while not having the responsibility for the day to day operations.

FX-hedgefunds allows the successful trader or broker to become a Hedge Fund manager at a *fraction of the traditional start-up costs* and further provides *continuing back office support*. Now, you *can* launch your own fund!

The appearance of an ever growing number of **FX Market Making** houses means that now, FX traders are now able to quickly and efficiently launch their own **SPOT CURRENCY HEDGE FUND** at *minimal expense* with *minimal regulatory oversight* and with ease and efficiency.

As an FX Trader, you will be able "turn key" into operating your own Spot Currency Hedge Fund.

You provide the trading skill and ability and **FX-hedgefunds Inc.** will make it happen! No effort, no problem, we will just make it happen!

FX-hedgefunds Inc. has established a number of contacts with foreign currency market makers that will provide the FX trader with trading opportunities formerly only available to large banks and brokerage firms. The FX traders will be provided with online trading platforms as well as assistance in their use including back office support, technology, compliance support, possible capital introduction and many more benefits!

Currencies are an 'over the counter' product, and as such not quoted or traded on any specific exchange. The prices are quoted by a large number of active 'Market Makers' such as banks, specialist currency brokers or other financial entities. There is no standard fixed contract size, nor are

there any commission fees or any other additional transaction costs involved. All prices quoted are 'two way', i.e., a bid and offer (the spread). This price quoted is inclusive of all trading costs. The spread may vary depending on market conditions and liquidity. Prices may vary depending of liquidity and are constantly changing. The 'market' is alive around the clock and 'follows the sun' around the globe. It is possible to operate efficiently in the market from 20:00 GMT Sunday through 21:00GMT Friday. Positions can be opened and closed at any time throughout this period. The International Date Line is located in the western Pacific, and each business day arrives first in the Asia Pacific financial centers first Wellington, New Zealand, then Sydney, Australia, followed by Tokyo, Hong Kong, and Singapore. A few hours later, while markets remain active in those Asian centers, trading begins in Bahrain and elsewhere in the Middle East. Later still, when it is late in the business day in Tokyo, markets in Europe open for business. Notably, the European time zone is the most active, with about 2/3 of all global transactions being cleared through London. Subsequently, when it is early afternoon in Europe, trading in New York and other U.S. centers starts. Finally, completing the circle, when it is mid or late afternoon in the United States, the next day has arrived in the Asia Pacific area, the first markets there have opened, and the process begins again.

The twenty four hour market means that exchange rates and market conditions can change at any time in response to global developments anytime. Any dealing institutions chosen by the Partnership must have 24 hour trading available. This is the only market where investors can react and potentially profit from any economic, social and political event at the time it occurs day or night.

For more information on how to start a **Forex fund**, contact us via info@fx-hedgefunds.com

Hedge Fund Formation

WHAT ARE HEDGE FUNDS?

Hedge Funds - General Information:

In the securities world, the term "Hedge Fund" does not necessarily imply any use of "hedging" as commonly understood; for example where commodity traders use options to "hedge" a commodity position. Presently, in the securities world the term "hedge fund" refers to any type of Private Investment Company operating under certain exemptions from registration under the Securities Act of 1933 and the Investment Company Act of 1940. "Hedge Funds" are often referred to as "alternate investment vehicles" and are tailored to the needs of sophisticated, high net worth private investors. A Hedge Fund is generally structured as a limited partnership having a general partner responsible for the investment activities and day-to-day operation of the fund, and limited partners who are the investors supplying capital but not participating in trading or operations of the fund. The limited partners have limited liability. That is, their exposure to loss is limited to their investment. The General Partner has unlimited liability and is liable for the activities of the partnership. The General Partners principals limit their liability through the use of a corporation or limited liability company as the General Partner. (Of course, the principals cannot limit their liability from the application of the anti fraud provisions of the Federal Securities Laws.) All of the investors' capital is pooled and is utilized by the General Partner or Investment Manager to implement its trading or investment strategy.

Hedge Funds - Non Public Offerings:

Hedge Funds are "Non-Public Offerings." The private offering exemption prohibits Hedge Funds from making any public offering. Therefore, Hedge Funds are prohibited from general advertising and generally secure investors through word of mouth, consultants, registered representatives, brokers or investment advisors. Hedge Funds have investors that are either "accredited investors" or "qualified purchasers." In general, the Federal Securities Laws define the terms "accredited investor" and "qualified purchaser" in terms of minimum asset and income threshold that must be met before they qualify to be investors in the Hedge Fund. Since the Hedge Fund generally limits investment to "accredited investors" or "qualified purchasers" both of whom are required to meet certain minimal asset and/or income thresholds, the Fund Manager or administrator must gather background information on potential investors to determine whether they meet the minimum requirements to be "accredited investors" or "qualified purchasers." By making a non-public offering to certain kinds of investors, (accredited investors or qualified purchasers) the investment vehicle will be exempt from registration requirements of The Securities Act of 1933 pursuant to the safe harbour provisions of Rule 506 of Regulation D. Where the investment vehicle is limited to no more than 100 investors, and otherwise complies with the safe harbour provisions of Regulation D, such an investment entity is exempt from the extensive regulation pursuant to Section 3(c)1 of The Investment Company Act. Section 3(c)7 of The Investment Company Act offers a similar exemption to private investment companies with "qualified purchasers" as investors.

As an unregulated entity, the Hedge Fund Investment Manager is free to undertake greater risk on more volatile positions thereby exposing investors to potential substantial profit as well as substantial losses.

Hedge Fund - Fees:

Typically, Hedge Funds provide for the payment of an Incentive Allocation or Performance Fee to the hedge Fund Manager/General Partner. Performance Fees range from 20% to 40% depending on the strategy employed by the Hedge Fund Manager. Typically, the Performance Fee provides for a "high water mark" structure which provides that incentive fees are paid only to the extent that the fund continues to meet or exceed the "high water mark." Additionally, typical Hedge Funds include Management Fee of 1% to 2% of all assets under management.

Hedge Fund - Managers and Styles:

Generally there are two kinds of Hedge Funds. On the one hand, there are the huge worldwide funds operated by charismatic managers such as George Soros. On the other hand, there are small boutique-styled Hedge Funds identified with a particular segment or investment strategy. The Fund Manager's expertise, experience and background in recognizing investment opportunity will dictate that fund's particular niche. For example, there are the "Biotech Hedge Funds" which are managed by experienced and highly qualified investment managers who may also hold advanced degrees in science and medicine. There are "Tech Hedge Funds" specializing in the technology sector managed by individuals having specialized experience trading in that sector. With the emergence of day trading and the availability of the trading technology, a number of floor traders and brokers are leaving the traditional brokerage and exchange venue to participate in the computer screen trading phenomena.

The boutique "Hedge Fund" typically relies on the particular skill and expertise of the Investment Manager or Trader. The highly specialized Investment Manager may utilize a "Sector" style of investing focusing on a particular industry or economic sector. Conversely, an Investment Manager utilizing a "Market Neutral" style will maintain a portfolio of securities which are generally ½ short and ½ long. Some Investment Managers utilize a "Value" investment style based upon assets, cash flow and book value; while other Investment Managers follow the "Emerging Markets" style and invest in emerging and foreign market equity and debt. "Trading" funds utilize an opportunistic investment style taking advantage of market trends, events and opportunities for short term profits. Each Fund Manager develops and uses a particular investment style that is unique to the experience, expertise and personality of its manager.

Unlike Hedge Funds, Mutual Funds raise money publicly; are highly regulated by the Securities and Exchange Commission, the Internal Revenue Service and other agencies; and offer investment diversification and are restricted from purchasing many types of derivative instruments, leveraging, short selling and other kinds of transactions.

Unlike the Mutual Fund Managers, the Hedge Fund Manager generally invests in the fund that they manage and participate in profits as well as risks with their investors. Unlike the Mutual Fund fee structure (which is determined on assets under management) the Hedge Fund Manager receives incentive allocations on performance.

For more information on how to start a hedge fund, contact us via E-mail

info@fx-hedgefunds.com