

MFS FOREX – MANAGE ACCOUNT QUESTIONS

Frequently Asked Questions

1. What is an alternative investment?

An alternative investment is an investment other than conventional investments such as stocks, bonds, mutual funds and exchange-traded funds (ETFs). Managed forex is one type of alternative investment. Many alternative investments including managed futures and managed forex accounts offer the use of a high degree of leverage, which can produce either significant gains or losses.

2. Can I invest any amount I want?

Any amount can be initially invested provided it is above the account minimum (AUD\$10,000). Additionally, once the account is above the minimum any further amount can be deposited. There is no limit to the amount of funds you can invest.

3. Are your trading programs suitable for all investors?

No, definitely not! Alternative investment programs, including managed forex programs such as those listed on our site, are speculative in nature. Only true risk capital should be used. Never invest what you cannot afford to lose.

4. How can it be proven that the system really works?

We can't really answer that question directly since we are not the traders of these managed accounts. However by investing our own funds with a managed account for a period of time we are able to gain an understanding of the trading strategies and the risk management used. We believe that the managed accounts that passed our test will stand a much better chance of surviving for the long term than the vast majority of managed accounts offered on the internet.

5. I don't know anything about forex. Can I still benefit from a managed forex account?

It is not necessary to be a forex trader yourself to intelligently invest in a managed account. We encourage you to more fully educate yourself about forex, and we offer here on our site numerous educational and signal service.

6. My Investment Advisor recommends diversifying my assets. Do managed forex accounts have a place in a traditional portfolio?

Yes, allocating a percentage of your total assets to an alternative investment, uncorrelated to the stock & bond markets such as managed forex accounts, has historically shown an ability to provide a portfolio with better balance, reduced risk, and improved overall performance.

7. Where will my managed account be set up to trade?

Your account will be set up at one of many forex brokerages depending on the specific managed forex account you decide to open.

8. How are managed accounts traded?

In most cases the trader uses software provided by the brokerage to trade/manage multiple client accounts as one account. The PAMM (Percent Allocation Management Module) distributes gains, losses and fees on an equal percentage basis. In this way all accounts regardless of size obtain the same percentage returns. The PAMM (Percentage Allocation Management Module) allows the trader to allocate different trade lots to each account. That way the trader has the flexibility to use different leverage to suit the needs of each client.

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9. Will I be able to access my account?

Yes, you will be provided with read only access to your account either through an online report viewer or the trading platform. You can view the account, including balance and activities, but you will not be able to place any trades.

10. Does Manage Account have access to my money?

No, it does not have access to your money and cannot transfer, deposit, or withdraw your funds. Your account is set up directly with our broker, who handles all transfers, deposits, and withdrawals.

11. What does POA stand for?

POA stands for Power of Attorney. By completing the Limited Power of Attorney form, the client authorizes the trader with limited power to deal on their behalf in the market without having access to the client's funds.

12. Does the trader have access to my money and why do I need to sign a Limited Power of Attorney (LPOA)?

No, the trader does not have access to your money and cannot transfer, deposit, or withdraw your funds except for the fees specified on the LPOA. Your account is set up directly with the brokerage that clears all transactions and handles all transfers, deposits, and withdrawals. It is necessary for you to sign a Limited Power of Attorney (LPOA) to authorize the brokerage to allow the trader to direct the trading of your account.

13. Why do I need to sign a Limited Power of Attorney?

It is necessary for you to sign a Limited Power of Attorney (LPOA), to authorize the broker to allow the trader to direct the trading of your account.

14. What does it mean by equity draw down?

There is an equity stop and an equity alert. An equity alert is a dollar amount we are willing to allow the fund to draw down. Once the dollar amount is reached, no new positions will be allowed to be placed. An equity stop is a dollar level where all positions will be liquidated if reached.

For example, if you had \$100,000 and wanted to prevent a drawdown of over 20%, you could place an equity stop at \$20,000. If the account draws down by \$20,000, all positions will be liquidated.

15. How is the performance fee calculated?

The 20% performance fee is taken on a high-watermark basis. A high watermark is the previous high in the account-participant's account (adjusted for deposit, withdrawals, and fees). It ensures that the fee is only deducted based on new performance, rather than just recovery from poor performance. In other words, if an account loses money over a period, the account must first recoup previous losses and then any profit above the high watermark is subject to the 20% performance fee.

The performance fees are thus influenced by the exact date of entry into the account. Hence, participants who enter into the account on different dates will have different watermarks. Watermarks are based upon the actual returns in and date of entry for each account, thereby resulting in different watermarks for individual accounts. Since individual account returns will vary based upon the entry date into the account, the performance-fee calculations are performed on a per-account basis.

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16. Can I withdraw my funds at any time?

Yes, there is no lock in or minimum investment period. You may withdraw all your funds or choose to leave the minimum of \$10000 and keep your account active for future deposits.

17. Can I withdraw my money and close my account any time I want?

Yes, but the time to fulfill the request varies from brokerage to brokerage. This typically takes one to three days.

18. How are performance statistics calculated?

The performance is calculated as a percentage increase or decrease from the month's starting account balance.

19. Is it possible for me to lose more money than I invest?

Yes, although it is highly unlikely to lose more than you invest, it is possible under extraordinary market conditions if the broker cannot close your account positions in time.

20. How do I open my account and get started?

Please email to info@mfsforex.com or discuss with us on skype: **MFSFOREX**

Commissions and Fees

Our compensation is in one or both of the following forms: a rebate from the FCM to us as Introducing Broker, and sharing of the performance fee charged by the trader/money manager. The FCM is compensated via the bid/ask spread.

By checking the "**I Agree**" button below, you are agreeing that you understand the material discussed on this page.

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