Contents

A. Trading Strategy 2

a. Trading System 3

a. Technical Pattern 3
b. Behavior Pattern 3
c. Technical Filter 3

b. Risk Management Model 3

a. Market Risk Management Model: 3
b. Operational Risk Management Model: 4

B. Performance Analysis 5

a. Performance Report 5

b. Modern Portfolio Theory Statistics 6

a. Value at Risk (VaR) 6
b. Sharpe Ratio 6
c. Standard Deviation (SD) 6
d. Volatility (σ) 6
e. Performance measurement and Benchmarking 7
f. R-SQUARED (R2) 7
g. Correlation 7
h. Beta (β) 7
i. Alfa (α) 7

c. Performance during Crisis 8

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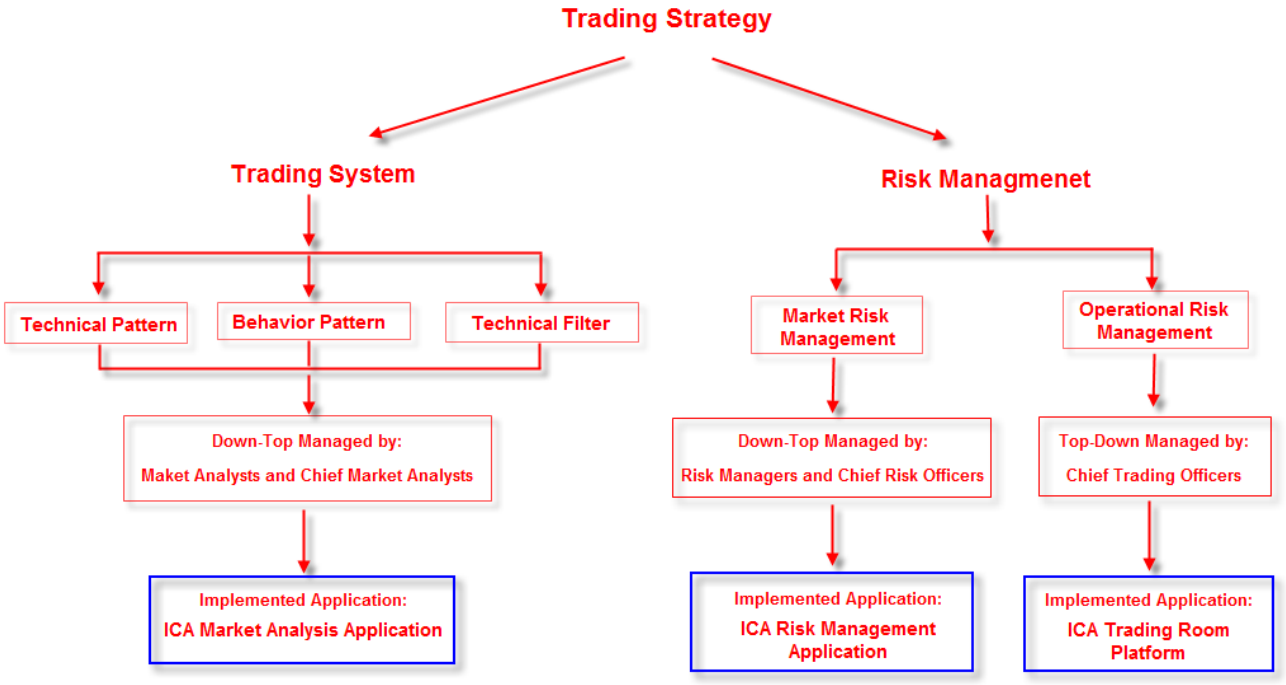
A. Trading Strategy



ICA trading system combines sophisticated risk and trade management models, with high probability market patterns recognition technique. The strategy is featured by:

- Trading Strategy is 75% systematic, and 25% discretionary.
- Swing trading strategy; Targets 50 to 400 pips on 4 hours and daily charts.
- Not Scalping; Does not attempt to make many small profits on small price changes.
- Not Hedging; Does not buy and sell the same instrument at the same time.
- No Martingale; Does not continually increase the exposure after losses.
- No Average Down; Does not add positions to the losing positions.
- Average Up; Add positions to the profitable positions.
- Focused; Trade only one pattern within one trading system.
- Diversify within the same trading system; trade the same system in different markets.
- Trading system works in both trending and sideways markets but not in chopping markets.
- Trading Volume; $1 Million deposit would generate $300 million monthly volume. (Deposits are 300 leveraged monthly).

We trade the world's most liquid currencies include the U.S. dollar, Euro, British Pound, Canadian dollar, Australian dollar, New Zealand dollar and Swiss franc, in addition Gold in the NYMEX market.
We don't trade exotic currencies.

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a. Trading System

Our Trading System represents 40% of our Trading Strategy.
The system is Mechanical with the same pattern setup executed repeatedly; it has 3 components:

1- Technical Pattern
2- Behavior Pattern
3- Technical Filter

a. Technical Pattern

We trade only one simple pattern, this pattern has been developed by our Team, and been traded since 2007. It is a combination of 2 classical patterns; Micro pattern inside a Macro pattern.
The pattern represents a development of Elliot Waves and the well-known Dow theory.
This pattern is drawn on Daily and 4 hours charts.

b. Behavior Pattern

Shake Out, and Proactive; these are the 2 behavior patterns which we have developed, and they serve as a trigger, for our Technical pattern.

c. Technical Filter

It is a simple pattern; combines Market Angle and Market Momentum serves as a signal filtration.

b. Risk Management Model

Risk Management represents 60% of our Trading Strategy
We manage two types of risk: Market and Operational Risk.
We have developed a Market Risk Management Model, and an Operational Risk Model. We have also built two platforms with sophisticated tools providing real-time risk identifying, assessing, mitigating, controlling, monitoring, and reporting.

a. Market Risk Management Model:

Our Market Risk Management Model adopts a Down-Top approach.
Risk Management components:
Downside Limit, Reward/Risk, Sensitivity Analysis, Scenario Analysis, Correlation Analysis, Monitoring Positions, Leverage Risk, Volatility Risk, Event Risk, Peak to Trough Draw Down Analysis, Stress Testing, and contingency plans.
Our Risk Management Model adopts an anti-martingale approach, in managing the pre-trade and intra-trade risk. It is scaling out in the falling markets and averaging up in the rising market.
We compound the profit by implementing a developed formula representing a combination between "Compound and Flat ratio"; serving in optimizing the profit and minimizing the risk.

ICA has developed Risk Management Platform software, which contains sophisticated tools and calculators serve in determining the optimal risk allocation per trade, optimal leverage, optimal scale out or average up formula, serving in optimizing the Reward/Risk asymmetry.

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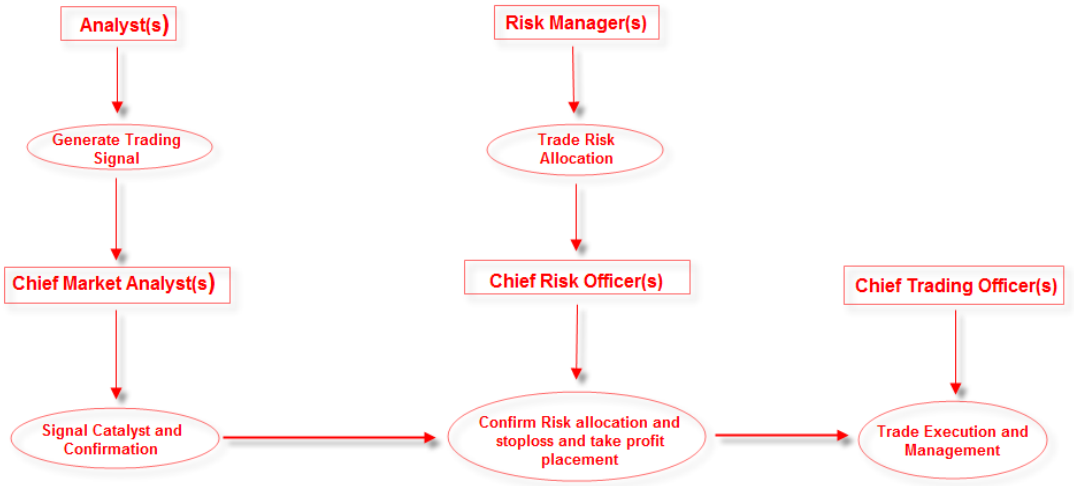
b. Operational Risk Management Model:

Our Operational Risk Management Model adopts a Top-Down approach.
Risk Management components:
Data management, Execution error, employee errors, system error, process tracking, behavior monitoring, performance monitoring, unauthorized activities, business interruption, Key man, Rogue Trader, Infrastructure risk, stress testing, contingency plans.
We believe that the operational risk can match or even exceed the market risk.
Aside to our in-house Risk Officers, we have strategic "independent risk managers" who serve as a second level of protection, helping in identifying, assessing, mitigating, controlling, and monitoring the risk.

ICA has developed an Online Trading Room, which is a functionally centralized web-based platform, helps in improving the operational efficiency.
The platform represents an application for our "two-boss" matrix management organization structure. It represents a solution for team-based discipline trading.
This centralized platform provides the team members with accesses to our sub platforms for processing and tracking matrix information and methodologies at any time, from any location.



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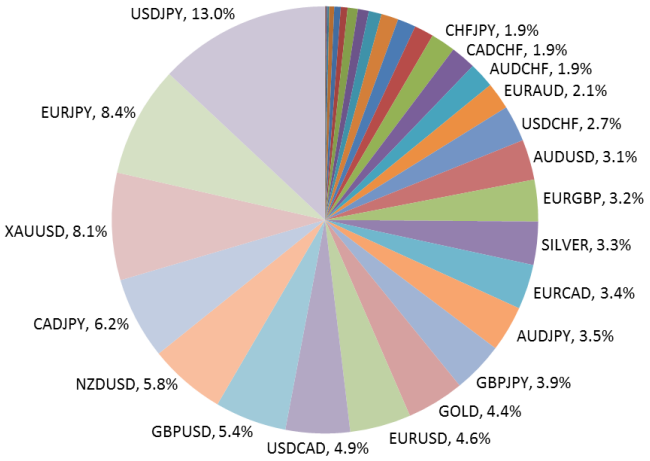
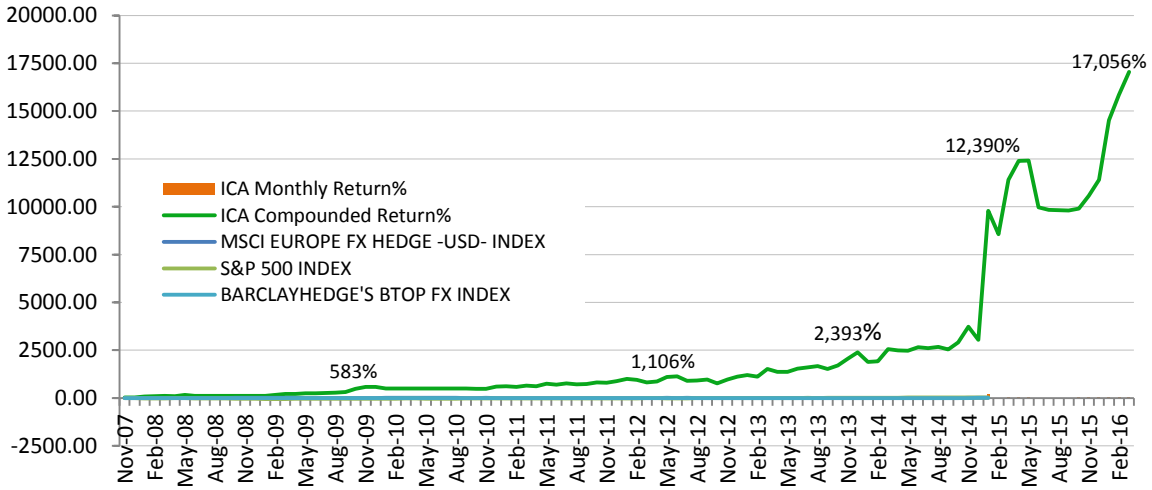
B. Performance Analysis

a. Performance Report

NET results after deducting Broker Fee (spread), Monthly Management Fee (0.16%), and Monthly Performance Fee (25%).

Average Annual Return:	+82.93%
Annual Volatility (σ):	92.77%
Average Monthly Return:	+8.52%
Monthly Standard Deviation:	26.78%
Sharp Ratio:	1.09
Total Executed Trades:	11,066
Average Leverage per trade:	x1.53
Worst Peak-to-Valley Drawdown:	-29.65%
Monthly VaR at 95% Confidence:	-18.76%
Positive Month Percentage:	69.51%





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD %
2007											26.92	7.75	36.75%
2008	35.05	10.26	2.73	-2.99	32.01	-20.76	-0.16	-0.16	-0.16	-0.16	-0.16	-0.16	53.74%
2009	-0.16	29.55	14.02	1.59	11.27	-1.19	4.08	7.54	9.11	36.53	18.44	0.26	226.11%
2010	-12.56	-0.16	-0.16	-0.16	-0.16	-0.16	-0.16	-0.16	-0.16	-0.16	-0.48	18.07	1.28%
2011	2.51	-3.08	9.52	-5.15	18.07	-5.20	7.78	-5.53	2.34	8.90	-0.16	7.49	40.68%
2012	12.56	-4.57	-12.83	6.35	23.99	2.07	-18.80	1.61	5.70	-19.33	23.26	14.08	24.68%
2013	6.73	-6.81	33.51	-9.48	0.57	11.16	3.95	4.22	-8.40	11.50	19.43	15.31	104.74%
2014	-20.35	1.49	31.62	-2.63	-0.04	6.75	-1.96	2.93	-5.24	14.24	27.19	-17.96	26.02%
2015	214.58	-12.34	32.83	8.52	0.22	-19.57	-1.35	-0.16	-0.16	1.05	6.75	7.76	266.22%
2016	27.13	9.03	7.56										49.08%

There is a significant risk involved in Foreign Exchange trading. The presented results are provided by ICA and therefore ICA is solely responsible for them. Past performance of a strategy is neither a guarantee nor indication of current or future positive results.

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b. Modern Portfolio Theory Statistics

Below are some Key Statistics which are helpful in order to analyze the performance, and determine whether the performance results are due luck or because of manger's skills.
The analyses below answer the following questions:

- What is the probability of losing a certain percentage, over a specific period of time?
- How much the performance consistency is?
- Is the performance return sufficiently high compared to the risk taken?
- Is the performance Stable or Volatile?
- Is the performance correlated to benchmark, and markets?
- Are we outperforming other money managers and benchmarks' performance?

a. Value at Risk (VaR)

Monthly VaR at 95% Confidence: -18.76%

"Value at Risk" measures the potential loss in the portfolio over a defined period, for a given confidence interval. Our monthly VaR is -18.76% at 95% confidence level; that means there is only a 5% chance that the portfolio will drop more than -18.76% over any given month.

b. Sharpe Ratio

Sharpe Ratio: 1.09

Sharpe ratio tells us whether a portfolio's returns are due to smart investment decisions or a result of excess risk, it is a risk-adjusted measure of the performance.
The ratio measures how much reward the investment produces for the level of risk taken.
The higher the Sharpe Ratio, the better consistent performance of the portfolio is considered to be.

c. Standard Deviation (SD)

Monthly Standard Deviation: 26.78

Standard Deviation measures how much the return is deviating and fluctuating around the average return. Our +8.52% Monthly Average Return with 26.78% Standard Deviation; indicate that the monthly realized return would most probably be somewhere between **-18.26%** and +**35.3%**.

d. Volatility (σ)

Annual Volatility: 0.93

Volatility is a measure of the portfolio stability; it refers to the amount of uncertainty about the size of changes in the performance value. It is calculated as the standard deviation from a certain continuously compounded return over a given period of time. Our 92.3% annualized volatility means the potential annual return may increase or decrease up to double its value.

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e. Performance measurement and Benchmarking

When evaluating the performance of any investment, it's important to compare it with those that are perceived as the best performers in the class. The below MPT statistics are useful to understanding and quantifying this risk/reward landscape.

Benchmark Index	Alfa (α)	Beta (β)	R-SQUARED (R2)	Correlation
S&P	6.31%	-0.10	0.10%	-3.18%
BARCLAYHEDGE'S BTOP FX	6.16%	-0.32	0.09%	-2.92%
MSCI EUROPE FX HEDGE -USD	6.03%	-0.21	0.11%	-3.34%

f. R-SQUARED (R2)

R-Squared is a statistical measure that represents the percentage of the portfolio's movements, which can be explained by the percentage of the benchmark index movements.
The R2 generated by our performance in correspondence to the above 3 benchmarks, was less than 1%, which means that only 1% of our performance gains are due to benchmark gains.

g. Correlation

Correlation measures only direction of movement over time which can be explained by the direction of movement of the benchmark.
The correlation generated by our performance in correspondence to the above 3 benchmarks was less than -4%, which means we have a weak correlation.

h. Beta (β)

While SD determines the volatility of a fund according to the disparity of its returns over a period of time, Beta determines the volatility of a fund in comparison to its benchmark.
Our performance had a negative and less volatility with "S&P500", and "MSCI EUROPE FX HEDGE –USD" by 10% and 21% respectively. But we had more volatility with " BARCLAYHEDGE'S BTOP FX" by 32%.

i. Alfa (α)

Alfa measure the extra return rewarded to you for taking on risk posed by factors other than market volatility. It measures how much if any of this extra risk helped the fund outperform its corresponding benchmark.
A positive alpha of 1 means the portfolio has outperformed its benchmark index by 1%.
This 1% represents the extra return awarded to the investor for taking additional risk rather than accepting the market return. In contrast, a negative alpha indicates that the portfolio has underperformed its benchmark.
Our performance has outperformed the following benchmarks "S&P500", "BARCLAYHEDGE'S BTOP FX" and "MSCI EUROPE FX HEDGE –USD" by generated the following Alphas of 6.31%, 6.16% and 6.03% respectively.

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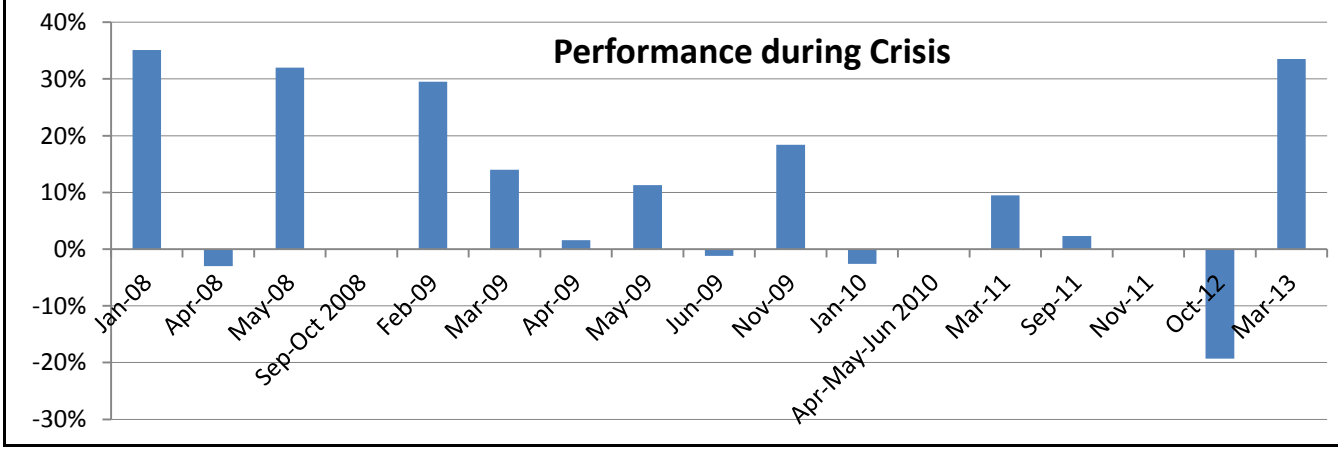
c. Performance during Crisis

Period	Performance	Event
Jan-08	35.10%	Global stock markets, including London's FTSE 100 index, suffer their biggest falls since 11 September 2001.
Apr-08	-3%	International Monetary Fund (IMF) warns possible losses which equate to $1 trillion due to the credit crunch.
May-08	32%	UBS AG Swiss bank announces plans to cut 5500 jobs by the middle of 2009
Sep-Oct 2008	N/A	Lehman Brothers file for Chapter 11 bankruptcy protection. Merrill Lynch also gets taken over by the Bank of America. Worst week for the stock market in 75 years.
Feb-09	29.50%	Job losses to reach 7.2 million in Asia
Mar-09	14%	UK government debt hit £750bn in 2008 US budget deficit will reach $1.8 trillion Norway government pension fund lost $92bn
Apr-09	1.60%	Swine Flu declared public health emergency WTO predicts global trade to fall 9% The US economy lost 539,000 jobs in April
May-09	11.30%	HSBC seeks $18 billion in capital and cuts 6,100 jobs Madoff admits $50bn fraud scheme.
Jun-09	-1.20%	Global oil consumption shrinks for the first time since 1993, the largest drop for 27 years.
Nov-09	18.40%	Dubai World seeks debt standstill
Jan-10	-2.60%	PIGS (Portugal, Italy, Greece & Spain) debt crisis
Apr-May-Jun 2010	N/A	Greece bailout. The U.S. DJIA had its worst May performance since 1940. PIGS debt crisis
Mar-11	9.50%	Powerful earthquake and tsunami devastate Northern Japan.
Sep-11	2.30%	Dow Jones industrials sees biggest two-day decline since December 2008.
Nov-11	N/A	Six Central Banks take joint action to enhance global liquidity. Italy has been forced to pay record interest rates in a 10bn euro ($13bn; £9bn) auction of treasury bills.
Oct-12	-19.30%	Super storm Sandy slams the Northeast and mid-Atlantic states.
Mar-13	33.50%	Cyprus bailout



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