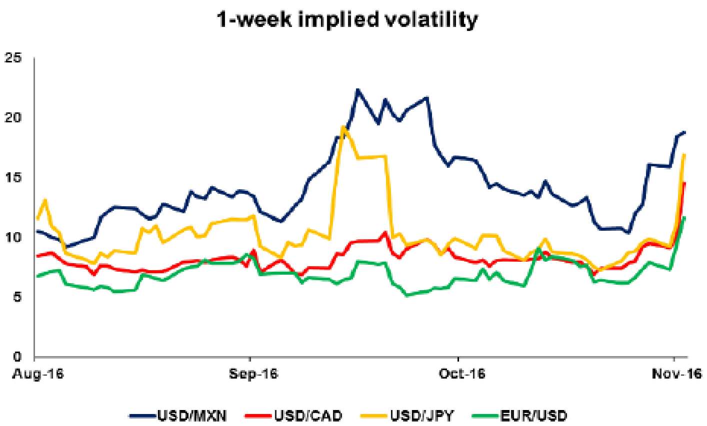
MONTHLY PERFORMANCE OVERVIEW

OCTOBER 2016

MARKET OVERVIEW

Increasing expectations of a “hard Brexit”, fuelled from remarks by UK PM Theresa May, gave rise to a fresh round of negativity surrounding the British pound in October. The currency took its first beating at the start of the month, following May’s comments, who unexpectedly provided guidance as to when Article 50 of the Lisbon Treaty will be invoked. In the same speech, she sent clear signals that the UK may be headed for a clear break from the bloc, intensifying concerns regarding a “hard divorce”. Only a few days later, sterling suddenly collapsed by 6% in a matter of minutes, in what has been dubbed ever since as the pound’s “flash crash”. Although GBP recovered most of its losses almost immediately, it remained notably below its pre-crash level.

The currency tried to gain some momentum towards the end of the month, after Mark Carney said that there were limits to the BoE’s willingness to “look through” inflation overshooting its target. However, the political uncertainty clearly overshadowed “hawkish” comments and encouraging economic data, with GBP ending the month as the worst performer among its G10 peers. It’s worth noting though that with markets being significantly net short, the risks in GBP are likely tilted to the upside, with any commentary on a not-so-hard-Brexit deal, capable to spur a short-term bounce amidst the longer-term trend of weakness. In addition, it will be important to continue monitoring the effects of currency pass-through on BoE officials’ communications, who could possibly use verbal intervention to limit further sterling depreciation.



Staying in the European regime, there was nothing particularly special about the market environment at the October ECB press conference. ECB President Mario Draghi reiterated the Bank’s commitment to maintain the high monetary policy accommodation, and dismissed reports of tapering. Combined with the fact that there is no clear sign yet of an upward trend in underlying inflation, this strongly suggests that the ECB may extend its QE program beyond March 2017. The common currency was weak over the past month, as net-shorts were rebuilt on expectations that the ECB will have to keep QE for longer. We believe that the upcoming ECB meeting in December will be important in determining the future path of the currency. However, the near-term direction of EUR going into the meeting will be driven mainly due to USD, JPY and GBP forces.

Going forward, we still view the upcoming US presidential election in November as a tail-risk factor that investors need to deal with caution. After a long period of ignoring this risk and mainly the possibility of Trump becoming the next US President and promoting his ideas on trade (e.g., leaving NAFTA, leaving the WTO), there are signs that the market has started to price this in through a weaker greenback as we approach the Election Day. The hawkish turn by several Fed officials and somewhat encouraging economic data in the beginning of October helped the dollar to regain some momentum but this was quickly reversed after election polls showed a narrowing of the Clinton-Trump gap.

With politics likely to overshadow economics for the next few weeks, we prefer to wait until the dust settles down and favor keeping limited overall market exposure. We prefer to stay positioned against the market volatility with some exposure on traditional G10 “safe haven” currencies like JPY and CHF, and tactical long USD that we could build up depending on the elections result. We would also like to take some less significant sized speculative positioning on minor crosses like CAD/JPY and GBP/CHF that may experience a sizeable market movement due to the market volatility ahead of the US Elections.

FC BARCELONA
OFFICIAL PARTNER

HYBRID STRATEGY

PERFORMANCE OVER 12-MONTH **23.39%**

OVERALL RETURN SINCE JUNE 2015 **29.37%**[1]

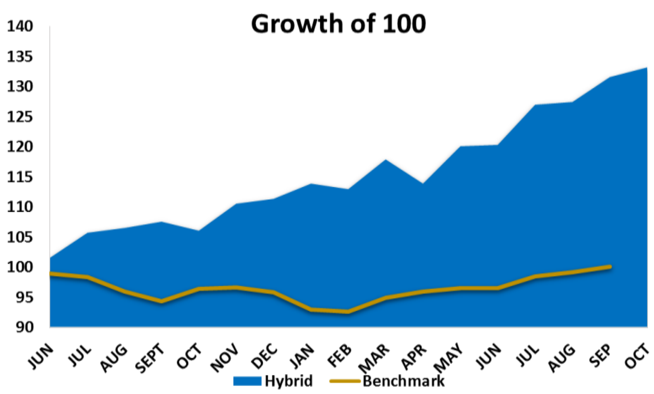
The Hybrid Strategy is an advanced trading strategy with medium-term timeframes based on fundamental and technical analysis. We combine our knowledge and expertise of the markets to take decisions depending on the prevailing global economic conditions and important technical levels. We seek to identify price movements through the use of a proprietary blend using, but not limited to the following: Economic news, options expirations, technical support and resistance levels, moving averages (50, 100, 200), Relative Strength Index and MACD (Moving Average Convergence Divergence) amongst others.

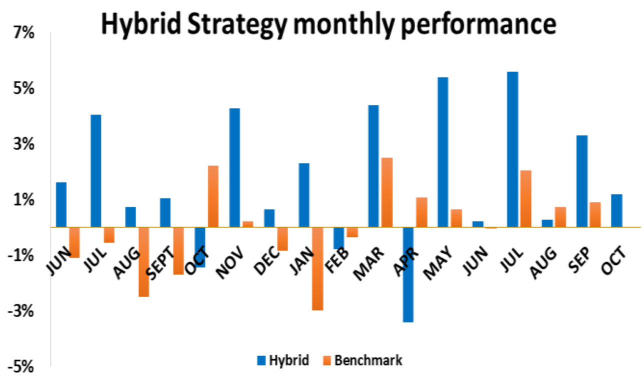
PORTFOLIO DETAILS

Launch date: 01.06.2015
Management fee per month: 0.167%
Performance fee[2]**:** 30%

Max drawdown: 6.6%
Subscription: Daily
Redemption: 5 days' notice

STRATEGY PERFORMANCE TO DATE





2016	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	YTD Return	Average Return
HYBRID[1]	2.29%	-0.77%	4.39%	-3.4%	5.82%	0.23%	5.58%	0.28%	3.3%	1.19%	18.47%	1.85%
Benchmark[3]	-2.99%	-0.36%	2.49%	1.08%	0.65%	-0.02%	2.06%	0.72%	0.91%	n/a	4.54%	0.5%
Performance over benchmark	5.28%	-0.44%	1.90%	-4.48%	4.73%	0.21%	3.52%	-0.44%	2.39%	n/a	13.93%	1.34%

2015	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD Return	Average Return
HYBRID[1]	1.62%	4.04%	0.72%	1.04%	-1.44%	4.26%	0.66%	10.90%	1.56%
Benchmark[3]	-1.09%	-0.55%	-2.50%	-1.69%	2.22%	0.22%	-0.84%	-4.23%	-0.60%
Performance over benchmark	2.71%	4.59%	3.22%	2.73%	-3.66%	4.04%	1.50%	15.13%	2.16%

[1] *Actual customer returns will likely vary from the strategy's returns shown due to number of conditions such as, but not limited to, time of investment, currency, fees, execution broker, etc. The strategy return is based on an average return of all clients under the specific strategy. Past performance is not an indicator and does not guarantee or predict future performance.*

[2] *For the performance fee high-water mark is used*

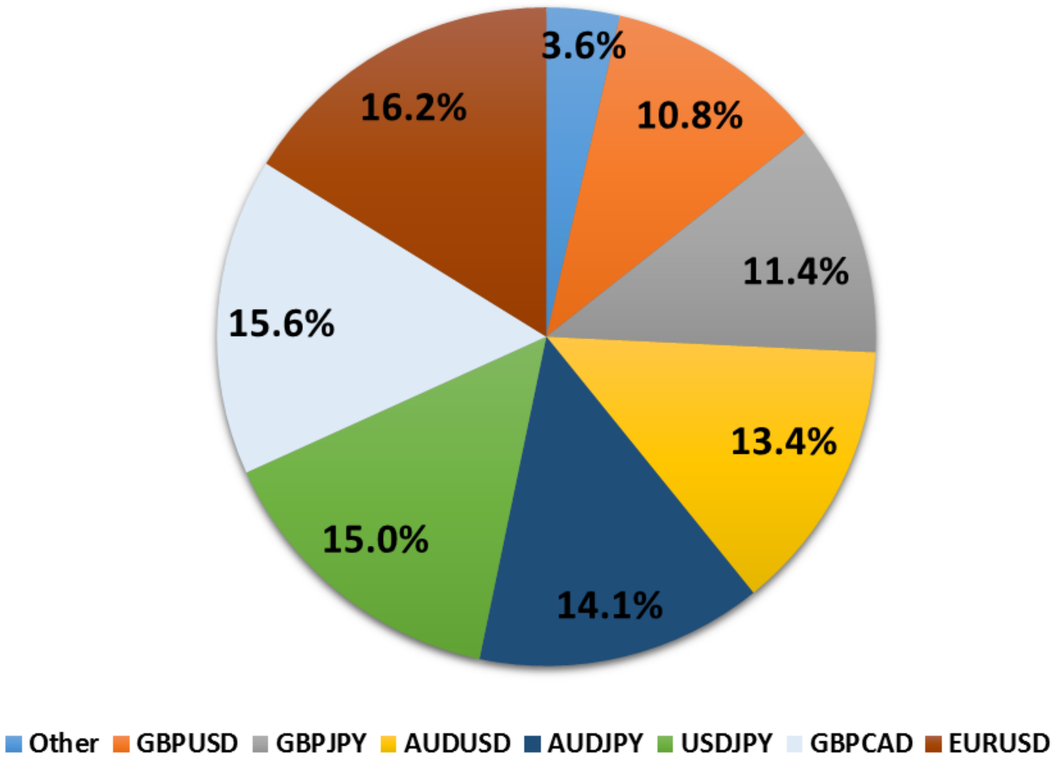
[3] *You can find the benchmark in this link: http://www.barclayhedge.com/research/indices/ghs/Hedge_Fund_Index.html*

OCTOBER HYBRID STRATEGY UPDATE

The Hybrid strategy finished with a positive performance in October, as our net-long USD positioning extended its gains for the most part of the month. Afterwards, we redirected a large part of our allocation into safe-haven assets due to the uncertainty surrounding the US elections, and proved on time, as broad-based risk aversion caused those instruments to gain significantly against their peers. A significant part of this strategy profits were erased due to our small exposure in GBP and the sharp, unexpected collapse of more than 6% against the dollar in a matter of minutes in the beginning of the month. With the market significantly net short GBP, we were betting on a corrective move higher, which had a negative overall impact on this month’s performance. Still, we managed to recover our beatings and gain further, adding to the strategy’s overall positive return. Going forwards, we prefer to stay positioned against the market volatility with some exposure on traditional G10 “safe haven” currencies and begin to reposition only after the US elections end.

EXPOSURE ANALYSIS

IronFX Portfolio Management's Hybrid Strategy is traded on leveraged instruments, primarily on currency pairs such as EUR/USD, GBP/USD, USD/JPY, AUD/USD, USD/CAD, NZD/USD, GBP/JPY, EUR/JPY, EUR/GBP, GBP/CAD, USD/CHF and at times AUD/JPY. However, IronFX Portfolio Management reserves the right to add and remove any currency pair we deem to be either beneficial or harmful to the strategy.



IronFX SOLID TRADING | FC BARCELONA OFFICIAL PARTNER

DYNAMIC STRATEGY

PERFORMANCE OVER 12-MONTH **102.55%**

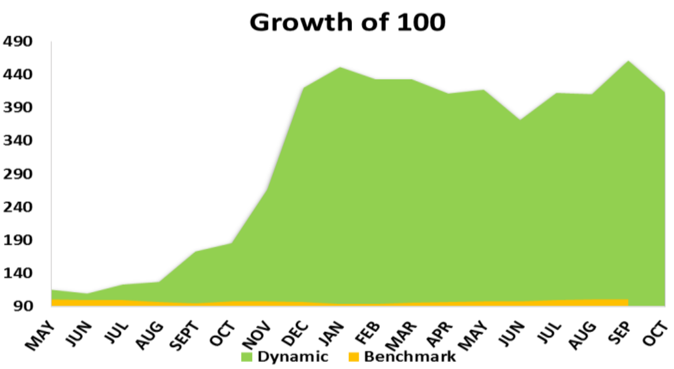
OVERALL RETURN SINCE MAY 2015 **171.79%**[4]

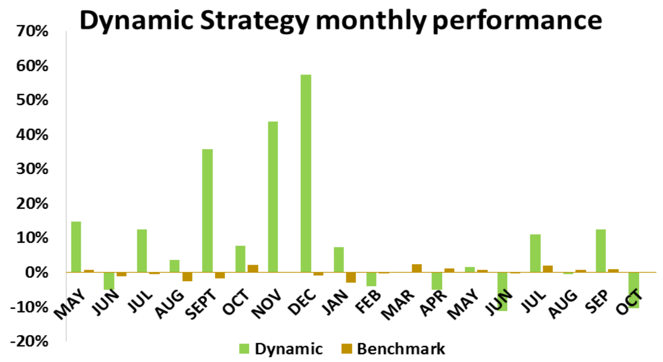
The Dynamic Strategy is an algorithmic and high-frequency trading strategy based primarily on technical indicators. We use an advanced, computerized trading infrastructure to execute a high volume of trades within short to medium-term timeframes. The key technical indicators we use are, modified Ichimoku Kinko Hyo and correlation matrix, among others.

PORTFOLIO DETAILS

Launch date:	01.05.2015	**Max drawdown:**	13.1%
Management fee:	0.0%	**Subscription:**	Daily
Performance fee[5]:	50%	**Redemption:**	5 days' notice

STRATEGY PERFORMANCE TO DATE





2016	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	YTD Return	Average Return
DYNAMIC[4]	7.4%	-4.08%	0.04%	-5.1%	1.58%	-11.13%	11.0%	-0.47%	12.4%	-10.32%	1.32%	0.13%
Benchmark[6]	-2.99%	-0.36%	2.49%	1.08%	0.65%	-0.02%	2.06%	0.72%	0.91%	n/a	4.54%	0.5%
Performance over benchmark	10.39%	-3.72%	-2.45%	-6.18%	0.93%	-11.15%	8.94%	-1.19%	11.49%	n/a	-3.22%	-0.37%

2015	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD Return	Average Return
DYNAMIC[4]	14.75%	-5.03%	12.42%	3.63%	35.81%	7.66%	43.87%	57.36%	170.47%	21.31%
Benchmark[6]	0.81%	-1.09%	-0.55%	-2.50%	-1.69%	2.22%	0.22%	-0.84%	-3.17%	-0.40%
Performance over benchmark	13.94%	-3.94%	12.97%	6.13%	37.50%	5.44%	43.65%	58.20%	173.64%	21.71%

[4] *Actual customer returns will likely vary from the strategy's returns shown due to number of conditions such as, but not limited to, time of investment, currency, fees, execution broker, etc. The strategy return is based on an average return of all clients under the specific strategy. Past performance is not an indicator and does not guarantee or predict future performance.*

[5] *For the performance fee high-water mark is used.*

[6] *You can find the benchmark in this link:http://www.barclayhedge.com/research/indices/ghs/Hedge_Fund_Index.html*

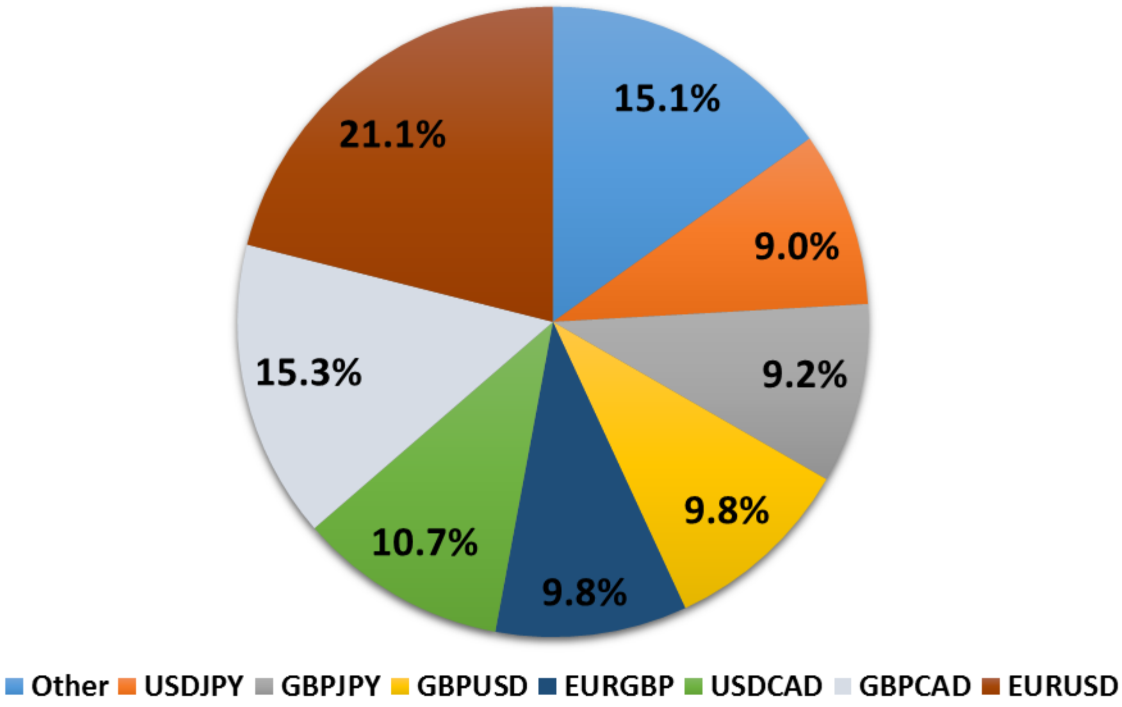
FC BARCELONA
OFFICIAL PARTNER

OCTOBER DYNAMIC STRATEGY UPDATE

The Dynamic strategy finished with a negative return in October, mainly due to the GBP-shock move in the beginning of the month. Our technical indicators were pointing to a long positioning, but the jarring “flash crash” and our exposure on GBP/JPY, GBP/CAD and EURGBP all moved into the opposite direction and caused the strategy to suffer a material loss. The extreme drop was not something that our trading system could have predicted and the trigger behind the move remains unknown. The Bank of England is still investigating the cause of the sudden move. Despite this difficult background, we managed to recover some of our losses and maintained our YTD positive performance. We continue to make necessary adjustments and improvements to our algorithmic trading strategy, in order to make it resilient in turbulent times.

EXPOSURE ANALYSIS

IronFX Portfolio Management's Dynamic Strategy is traded on leveraged instruments, primarily on currency pairs such as EUR/USD, GBP/USD, USD/JPY, and EUR/JPY. However, IronFX Portfolio Management reserves the right to add and remove any currency pair we deem to be either beneficial or harmful to the strategy.



ALPHA GROWTH STRATEGY

OVERALL RETURN SINCE AUGUST 2016

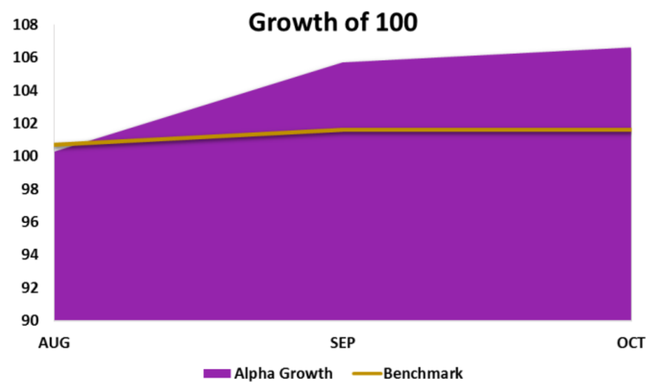
6.55%[7]

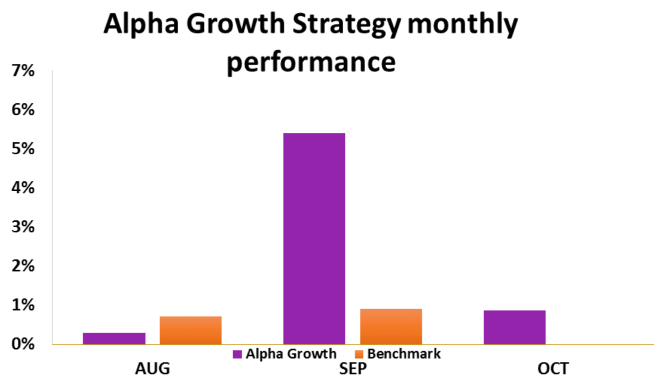
Alpha Growth is a diversified strategy investing in full spectrum of opportunities from event-driven trades to more technical oriented trades. The objective of the strategy is to achieve maximum performance, consistent with capital growth and prudent investment management. The core part of the strategy concentrates in the pool of major currency pairs, while the remaining of the exposure is in minors and exotic currencies. Alpha Growth takes advantage of market momentum to generate attractive risk-adjusted returns.

PORTFOLIO DETAILS

Launch date:	16.08.2016	**Max drawdown:**	2.6%
Management fee:	0.167 %	**Subscription:**	Daily
Performance fee[8]:	30%	**Redemption:**	5 days' notice
Min. Initial Investment:	50K USD		

STRATEGY PERFORMANCE TO DATE





2016	AUG	SEP	OCT	YTD Return	Average Return
Alpha Growth[7]	0.28%	5.4%	0.87%	6.55%	2.18%
Benchmark[9]	0.72%	0.91%	n/a	1.63%	0.82%
Performance over benchmark	-0.44%	4.49%	n/a	4.92%	1.37%

[7] *Actual customer returns will likely vary from the strategy's returns shown due to number of conditions such as, but not limited to, time of investment, currency, fees, execution broker, etc. The strategy return is based on an average return of all clients under the specific strategy. Past performance is not an indicator and does not guarantee or predict future performance.*

[8] *For the performance fee high-water mark is used.*

[9] *You can find the benchmark in this link:http://www.barclayhedge.com/research/indices/ghs/Hedge_Fund_Index.html*

OCTOBER ALPHA GROWTH STRATEGY UPDATE

Our newly established Alpha Growth strategy finished with a positive return in October. Despite the highly erratic trading environment, Alpha Growth utilizes a systematic investment process that focuses on smart weight allocation techniques and diversification over a large number of positions. A key attribute of this strategy is its ability to quickly transition between positions in major and minor FX pairs and trading styles. As a result, before the GBP "flash crash" storm this strategy had already built a diversified positioning, which helped it to achieve a nice positive performance in the event. Subsequently, the market settled into trends that held for the most part of the month, which also had a positive impact on the overall return.

EXPOSURE ANALYSIS

IronFX Portfolio Management's Alpha Growth Strategy is traded on leveraged instruments, primarily on currency pairs such as EUR/USD, GBP/USD, USD/JPY, NZD/USD, AUD/JPY and EUR/JPY. However, IronFX Portfolio Management reserves the right to add and remove any currency pair we deem to be either beneficial or harmful to the strategy.