



# **Forex & Commodities Managed Accounts**

## **Trend Trading**



## INTRODUCTION

Kairos is an Asset Management Company legally based in the Netherlands, they have a license from the AFM (Autoriteit Financiële Markten).

In the Forex & Commodities Managed Accounts the managers are taking advantage of the volatility and volumes in the Forex and Commodities markets. They have developed their own computer system that detects mathematically the dynamic patterns and trends in these markets.

The Forex & Commodities managers optimized system and the knowledge/experience of the traders will take full advantage of trends and opportunities to create a high return on investment. The bullish or bearish patterns and trends which our computer system detects are converted into trading positions and will yield a high return on investment.

The decision of the managers to focus on the Forex and Commodity markets stems from the high volumes, high volatility, high transparency and continuous opening hours of these markets (Sunday night until Friday night). Furthermore the past performance of the model has been realized in these markets.



## THE SYSTEM

Our system is based on three in-house developed and fine-tuned parameters. Over the past two years the model has proven to be very successful. The system has been developed by our internal IT-service with the input and experience of the management.

These three parameters are:

**The Divergence  
Indicator. The Time  
Indicator. Bollinger  
Bands.**

**The Divergence Indicator shows an existing trend and an upcoming turn-around in a trend.**

**The Time Indicator confirms the start of a new trend.**

**Bollinger Bands is the indicator of the extremity of the turn-around.**



## **METHODOLOGY AND PHILOSOPHY**

The combination of the three programmed parameters can give a strong bullish or bearish signal. These signals can trigger the management to take trading positions in Forex and/or Commodities markets. The system is the basis for all investment policies, the management makes its decisions solely on the trends detected by the model.

The system mathematically detects the dynamic patterns and trends in short and long term periods in markets. However experience has learned that the optimum return on investment can be made on an average of a bi-weekly to a monthly strategy.



## **RISK MANAGEMENT**

The management has decided that 4% net loss of assets under management is the maximum risk of the investments and stop/loss and hedge strategies are taken accordingly.  
The management will use a maximum of 4 times leverage.



## **RISK MANAGEMENT ON FOREX & COMMODITIES MANAGED ACCOUNTS.**

- “ Maximum leverage used in currency pairs is 4 times assets under management
- “ Only majors will be traded. (EURO, USD, YEN, GBP etc.)
- “ There will be stop/loss orders on all positions in currency pairs.
- “ There will be stop/loss orders in Gold/USD and Silver/USD positions.
- “ There will be stop/loss orders on overnight positions.



## **INVESTMENT POLICY AND APPROACH**

The investment approach is based upon the conviction that markets generally tend to set long-term prices correctly based upon mean reversion. In the near term, however, there are instances of uncorrelated inefficiencies in terms of slow adjustment or overreaction.

The managers have developed a system that detects trends and correlated inefficiencies in terms of slow adjustment or overreaction.

The management makes systematically investment decisions in Forex and Commodities markets with the system. The system is the guideline for all the investment policies, the management makes its decisions solely on the trends detected with the optimized system.

The system detects mathematically the dynamic patterns and trends on short and long term periods in markets but the fund management is convinced that the highest return on investment can be made on an average of bi-weekly to a monthly strategy.



## INVESTMENT POLICY AND APPROACH

It is at the manager's discretion to allocate over the different strategies, which may result in a full investment in only one of the strategies.

The holding period of positions can vary widely, as it is difficult to say if and when mean reversion to unwind valuation anomalies gets in force. There is no general guidance on the investment horizon of the fund as the manager is pragmatic in his goal to incur profits when a position flourishes. Evenly so the manager can unwind positions which are deemed not attractive in the short term regardless of drivers still in place.

The manager will invest in the following products:

### **Highest Volatility Currency Pairs and Commodities.**

At this moment EUR/USD, GBP/USD, EUR/YEN but can be changed to other strategies according to the volatility. In Commodities Gold/USD and Silver/USD but can also be changed to other commodities according to the volatility and trends.



## **TRACK RECORD**

**Our system has been successfully tested over a period of 2 years with ACM IB in Geneva and UWC in Cyprus. A proven track record of + 50 % return on investment has been made in this period.**



## OBJECTIVES

We have as objective to generate a minimum return of +15% above Libor rate.

With our strategy, methodology, philosophy, investment policy and track record we aim at assets under management of at least 50 million euro in a 3 year period.

The team will continuously update and develop the parameters and system to maintain, improve and increase performance.



## **MANAGED ACCOUNTS**

Managed accounts is a way of investing especially geared for people who want to invest with smaller amounts of their hard earned money and offers the possibility to keep on top of your investments and returns on a daily basis.

How have we done this? Kairos Asset Management has created a joint "Investment Separate Managed Account" with Interactive Brokers (U.K.) Limited which means that:

You can open your own internet investment account with Interactive Brokers (U.K.) through Kairos Asset Management:



- You will then receive a password from Kairos. This password is your personal log- in ID.
- By logging into your account you can follow the performance of your Forex & Commodities managed account on-line on a daily basis.
- You can transfer money to your account or withdraw your money from your account at any time.
- Investments starts from 25,000 Euro per account, so a low threshold for those people who want to start sensibly.



For this excellent service and the managing of your investments, Kairos will charge the following fees:

2% management fee.

20% performance fee. No

front (entrance) fee. No

redemption (exit) fee.



## **MANAGEMENT TEAM**

### **Bert Kinsbergen 18 May 1961**

Bert Kinsbergen started his career in 1986 as a market maker in equity options on European Option Exchange in Amsterdam. He joined a company called Amoptions which was operating worldwide both as a market maker as well as a clearing member.

In 1988 Bert moved to the French Exchange Monep for Amoptions to head their market making operation. In 1990 Van Der Moolen asked Bert to set up their French office. He was managing director with them until 1992.

In 1993 Bert joined the family owned company Kinzo BV, a supplier to DIY retail stores.

He was responsible for the expansion of their European sales, setting up new offices and supervising them. From 2004 till 2006 he was also CFO of Kinzo BV.

In 2007 Bert left the family business and started his own proprietary trading firm in derivatives and currencies.



## **Machiel Roest, 23 October 1960**

Machiel Roest started his career as an oil broker in 1982 in Paris. After two years he started his own independent oil brokerage company, PARCO SARL, in Paris. He sold his company in 1986. Machiel then relocated to Amsterdam where he started as a market-maker in equity options. When the French Exchange Monep started trading equity options in 1987 Machiel again moved to Paris to head the derivatives team of the Agent de Change Meunier. In 1988 Machiel joined the French branch of HSBC, James Capel, where he became a board member responsible for risk management for the French, German and UK branches of James Capel.

In 1995 Machiel moved on to start a joint venture with ING Bank for proprietary trading activities in Paris.

Machiel has been a proprietary trader in financial products and has developed a unique trading method which is the basis for the management of the accounts.

Machiel and Bert have worked together on the Amsterdam as well as the French options exchange and have always stayed in contact with each other. The idea of working as a team where they can combine their experiences is the driving force behind trend trading in FOREX and commodities markets.



## ***IT DEVELOPMENT***

**Charles Petit 10 November 1987**

Charles Petit obtained his computer degree ( Baccalauréat STI: informatique) in 2004 at the secondary school in France. He continued his studies from 2005 until 2008 at the University of Rouen (Université de Rouen/ IUT) and obtained his degree in computer science as well as his professional license in software programming and development. During his studies Charles started to develop with the input of Bert and Machiel the computer programme. Charles continues to develop and upgrade the programme for them.



## DEFINITIONS

### Currency Pair:

A **currency pair** is the quotation of the relative value of a currency unit against the unit of another currency in the foreign exchange market. The currency that is used as the reference is called the **counter currency** or quote currency and the currency that is quoted in relation is called the **base currency** or transaction currency.

### Majors:

The most traded currency pairs in the world are called the *Majors*. They involve the currencies EURO, US Dollar, Japanese Yen, Pound Sterling, Australian Dollar, Canadian Dollar and the Swiss Franc.

### Leverage:

In finance, **leverage** is a general term for any technique to multiply gains and losses. Common ways to attain leverage are borrowing money, buying fixed assets and using derivatives.



## **Stop/loss:**

A **stop order** (also *stop loss order*) is an order to buy (or sell) a security once the price of the security has climbed above (or dropped below) a specified stop price. (Note that both bid and ask prices can trigger a stop order.) When the specified stop price is reached, the stop order is entered as a *market order* (no limit). This means the trade will definitely be executed, but not necessarily at or near the stop price, particularly when the order is placed into a fast-moving market, or if there is insufficient liquidity available relative to the size of the order.

## **Pips:**

In finance, a **percentage in point (pip)** is the smallest commonly quoted change of an exchange rate of a currency pair.

The major currencies, except the Japanese Yen, are priced to four decimal places. For these currencies a pip is one unit of the fourth decimal point, or 1/100th of one percent. For the Japanese yen, a pip refers to one unit in the second decimal point, because the yen is much closer in value to one hundredth of other major currencies.



## **Assets Under Management:**

**Assets under management (AUM)** is a term used by financial services companies in the mutual fund, hedge fund, and money management, investment management, wealth management and private banking businesses to gauge how much money they are managing. Many financial services companies use this as a measure of success and comparison against their competitors; in lieu of revenue or total revenue they use total assets under management.

## **Commodities:**

**Commodity markets** are markets where raw or primary products are exchanged. These raw commodities are traded on regulated commodities exchanges, in which they are bought and sold in standardized contracts.

**Source WIKIPEDIA**



## **IMPORTANT ADDRESSES**

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