

PERFORMANCE FEE SCHEDULE AND WATERMARK CALCULATION

The performance fee is deducted monthly in arrears on the basis of the extent to which total aggregate profit that month has been achieved, subject to a higher watermark.

The watermark is based on the highest end of month value that a client account has achieved. The watermark is reset at the start of each calendar month. If profit has been achieved in the previous month, then the gain minus the performance fee will become the new watermark. If a loss has been achieved in the previous month, then the watermark will be re-set at the previous watermark level. This will apply until such time as the losses have been recouped.

The watermark is adjusted to ensure that any losses from a previous month(s) are taken into account before any fee is deducted. Below we show two examples: (the figures quoted are purely an example to show the calculation method used and are not indicative of performance achievable).

Calculation Example based on 30% monthly performance fee and is for illustration purposes only. This illustration is indicative only and does not represent live or past strategy performance:

Month	Initial	Profit	New Balance	Fee	Net Gain	A/C Balance	Watermark
1	£250,000	£10,000	£260,000	£3,000	£7,000	£257,000	£257,000
2	£257,000	£34,000	£291,000	£10,200	£23,800	£280,800	£280,800
3	£280,800	£0	£280,800	£0	£0	£280,800	£280,800
4	£280,800	£28,000	£308,800	£8,400	£19,600	£300,400	£300,400
5	£300,400	£34,000	£334,400	£10,200	£23,800	£324,200	£324,200
6	£324,200	-£23,000	£301,200	£0	-£23,000	£301,200	£324,200
7	£301,200	£40,000	£341,200	£5,100	£34,900	£336,100	£336,100
8	£336,100	£39,000	£375,100	£11,700	£27,300	£363,400	£363,400
9	£363,400	-£31,000	£332,400	£0	-£31,000	£332,400	£363,400
10	£332,400	£10,000	£342,400	£0	-£21,000	£342,400	£363,400
11	£342,400	£23,000	£365,400	£600	£1,400	£364,800	£364,800
12	£364,800	£18,000	£382,800	£5,400	£12,600	£377,400	£377,400

In month 10, a profit was made for the month of £10,000, but as there was a loss on the previous month (9) of £31,000 then the £10,000 profit is paid back on the loss leaving a deficit of £21,000.

No performance fee is paid as the account is below the watermark. In month 11 a profit of £23,000 was made. As £21,000 was to be recouped first this left £2,000 as a gain and a performance fee is then charged of £600 only. A new watermark is then set.

Troubleshooting:

1. What happens if an account stops copying a Signal (with a PF) halfway through the month - what impact does it have on the processing of the PF;

A: Any performance fees due on the trades taken will be processed as normal at end of month

2. As above, what happens if an account stops copying halfway through the month and reconnects?

A: As with above, + any new trades taken will also be considered for PF

3. What happens when a copier stops and re-copies a signal will the highwater mark be reset?

A: No

4. Pending order. If A Signal places a pending order, and the copier copies this pending order. The signal's pending order is triggered, but the copier's is not. Or vice versa. Will the copied order be closed if signal cancels the pending order or close the triggered order?

A: Yes, when the pending order is cancelled, this will close the trade on the copiers. We generally do not recommend copying pending orders, it's best to let them execute as market order if/when pending order is filled.

5. MAX DD, if I reached the soft stop level for example 30% once, then I'll stop copying all the signals. But after that my open positions start earning profit and the level goes down to 10%, will the acct. start copying again?

A: Once the soft stop is no longer breached, trades will flow through again

6. When are performance fees processed?

A: The Performance Fees start at midnight UTC and they are run sequentially