Fact File

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http://youtu.be/-oQ2wSRKdJ0

Best Offshore Fixed Income Fund

FTM

FTM is a dynamic investment product that places emphasis on capital preservation first and foremost while targeting returns commensurate with the long term market averages while keeping volatility to a minimum. Endre Dobozy, Founder, tells us more

In an investment landscape almost totally devoid of logic, reason and adherence to value, many investors find themselves in an awkward position. Reliance on central bank policy has led to the death of the buy and hold strategy and replaced it almost entirely with buy and hope.

A quick glance around the investment landscape can scare even the most seasoned investor with deflationary forces at play in Europe, the largest money printing exercise in the history of the world under way in Japan and a Chinese shadow banking system with an accounting standard that may possibly rival the best of Enron.

Combining this with weak global growth and emerging markets now responsible for almost half the world's GDP makes them particularly susceptible to price shocks at a time when it looks like the US dollar will break out of a 29-year downtrend.

On the upside the US has been the bright spot of 2014 but, with a surging energy revival which now accounts for almost a third of the US growth story, you need to wonder what falling energy prices will do. On top of all that, you need to try and account for geopolitical issues and how nations like Russia will react to continued weakness and falling oil prices.

All this makes for a thrilling ride on the investment rollercoaster of 2015 and beyond.

Despite 2014 being relatively tame in comparison to the events described above, many hedge funds have struggled to turn a profit, let alone beat their respective benchmarks. In fact, information compiled from Bloomberg shows that the average hedge fund had returned just 2% in 2014 capping their worst performance since 2009. Furthermore, in the first half of the year, 461 funds closed their doors making it the worst year for fund closures since 2009.

Of course, economic uncertainty and sub-par returns are nothing new. In fact, if you took a snapshot from 1993 to 2013, the average investor, net of fees, has averaged around 2.4% annually. This is, of course, partly due to the economic environment during the period but more so to the interconnectivity of global markets which, today more than ever, resemble a row of closely-placed dominoes where one fall can start a chain reaction that most portfolios won't be able to weather.

The answer to avoiding a falling market is, of course, to not be invested in them, but trying to time the market is, at best, an exercise in futility. This then brings up the question of where to be invested. Alternative investments such as hedge funds have not fared too well lately and cash in the bank pays little to no interest. In some cases you actually pay for the privilege of holding your money in the bank and, of course, you never know when another Cyprus-style event will occur.

While the names and dates may be different, we have been through issues like this in the past and this is what led to the creation of FTM.

Introducing FTM

The Global Financial Crisis that began in 2008 clearly illustrated that investment classes were far more correlated than most investors had suspected till then. Virtually all asset classes fell together, regardless of size, sector, or geographic location. Both developed and emerging markets alike experienced large declines as did commodities and non-treasury bonds.

Launched in March 2010, FTM is a dynamic investment product that places the emphasis on capital preservation while targeting consistent growth irrespective of market conditions or direction.

With the advent of FTM the problem of market volatility was solved for investors who want to achieve returns similar to those of the long term market averages but without the roller coaster ride generally associated with this type of investment. By combining capital-secured investments with an average of $3 of security for every $1 invested, a new type of fixed income investment was born.

One that was no longer at the mercy of market fluctuations and allowed the adoption of a buy and hold strategy.

FTM works by splitting the portfolio between different investments. First it has anywhere from 75 – 90% of the portfolio held in discounted medical accounts receivables which are secured by an average of$3 worth of receivables against every $1 invested. Then there is a cash component which can fluctuate between 5 and 10% of the portfolio. Together this makes up around 90 – 95% of the portfolio and has absolutely no exposure to market forces. The remainder of the portfolio can be invested in a propriety algorithmic currency trading system.

What are Medical Accounts Receivables?

Consider the following example. There is a car accident and, as a result, one of the drivers will require back surgery. A receivables company will fund the operation now and collect from the insurance company at a specified time later. The receivables company holds a lien on the insurance proceeds in the interim.

This is similar, in principle, to accounts receivable factoring, but with a critical difference. In traditional factoring a company buys a large pool of debt and simply hopes that enough will be paid to ensure a profit. In the case of FTM, the Medical Accounts Receivables Company pick and choose the cases they wish to fund and, on average, 4 out of every 5 cases reviewed are rejected, as investor safety is paramount. It should also be remembered that the ultimate payer is an insurance company, not a patient or hospital.

The Result

Since launch in 2010, FTM has generated a 51.62% return net of fees to December 31, 2014 equating to a 9% annualized return since inception. FTM has registered 58 positive month in a row since inception and is up 8.10% in 2014 year-to-date, all without being at the mercy of the market.