

View From a Hedge Fund Manager

I think I'll start managing people's money.

Maybe become a CTA or start a **hedge fund**.

If anyone is interested in "partnering" in any way feel free to contact me. My email is at the bottom of this page.

My first order of things will be clearing off my desktop. *There's way too many items on it. They tend to get there fast once I get into surfing the net.* Distracting. And, distractions can be bad when trading fortunes minute to minute.

I know I'll need to advertise but since advertising is prohibited by the SEC, instead I'll "market" to people I've never met before, but wait for a period of, say, 6 to 8 months after our initial contact to sell my unregistered securities to them. Allowing just enough time to go by so as to discourage the SEC from coming after me for breaking any of the 1940s Investor Act rules regarding "substantive relationships."

When investors sophisticated enough to understand that there are risks involved when trading the markets and that they could actually *lose* their money by investing in my hedge fund want to invest as my "partners" I'll tell them a few things, first. And, ask them a few things, as well.

I'll tell them euro / dollar represents the single "instrument" the two biggest nations on earth share that exchanges more money on any given day in itself than entire stock markets exchange.

That should make them feel comfortable and secure since there's safety in numbers.

Next, I'll ask them *why* they want to take all the traditional *safety valve* measures of conventional investing and try to apply them to the *alternative* investment industry. If they want to put their money in *alternative* investments, do they really think they'll obtain greater returns via somehow re-fortifying their decision by then backpeddling to make sure they set up their A-B-C blocks so they won't somehow fall over on their own?

Or, will it just give them a feeling of having an extra security blanket to curl up with at night when they try to get to sleep thinking their newest "partnership" status in my hedge fund is actually 99% a mutual fund with just a minor 1% alternative coating on top. Kind of like being able to have their cake and taste the frosting, too.

When my new partners ask me what my "investment strategy" is, I'll tell them that "markets are like people, they go a little mad sometimes. Othertimes, they just whack out with little provocation. Mainly, they're angry and fussy and disturbed. They are often a direct reflection of humanity: Very seldom do they make sense. The only way to get money is by force. *I make 'em offers they can't refuse.*"

When asked to be more explicit I'll say, "The direction of EUR/USD is like a blind man stumbling around in mid-day, drunk as a skunk. Many times 'market environment' is depressed. Sometimes it's so sure of itself its elation takes it in one direction for days even weeks *on a binge*. Only to find it's made numerous mistakes. Like someone driving in a country foreign to theirs, they go fast when they should go slow, slow when they need to speed up, they turn up that street and down this one when they should have done just the opposite. *These are called 'retracements.'*"

When asked why I like to trade EUR/USD both long and short at the same time, I'll try to explain that trading currency pairs is the natural *hedge* in "hedge fund," seeings that anytime you open a buy position in EUR/USD you automatically are **selling** the other currency opposite it.

Sort of like opening a trade in MSFT/GOOG where you own Microsoft and at the same time are selling Google simultaneously, only, at up to 500:1 margin.

They should be getting very relaxed at this point, confident in my trading style.

When further enquiries are made about my risk management methods I'll remind them that I shall have none of my trading secrets compromised and risk being possibly revealed to my competitors. If they continue, I'll just tell them to "shut up."

When they ask me "due diligence" questions about my private life, I'll tell them that's all private, and point to the "secretive" part about being a highly secretive hedge fund manager. Afterall, they wouldn't want anyone on *the other side* to get wind of any of my personal quirks or traits that they could take advantage of in the markets, putting any of my partners' money at additional *risk*, now would they?

I'll also point out that there are only **10 slots** available in my hedge fund and they will go to only 10 very lucky, special and fortunate individuals because each partner will have his or her own sub-account in the hedge fund personally managed by me. A custom set-up.

When a partner asks me what returns I am targeting I will remind him or her that I am a currency trading systems DEVELOPER and that I am invariably in my "lab" most the time testing and experimenting with systems that obtain greater and greater returns.

"The one I'm working on now targets 500% a year with zero drawdown and zero volatility. *I'm making it so that all I have to do is show up and the market forks out 5-times my money.*" But, that the system I currently trade is not targeting quite so high a return.

To their wide-eyed amazement I'll put on my best *cool and collected* veneer then look impatient as though I have somewhere more important to be than right there at the moment, maybe start tapping my foot in a *I'd really rather not be here now* fashion.

If they have any other reserves to dropping their wad of cash with me, I'll look them straight in the eye and whisper, *You know, there's a lot more dollars than there are talented and gifted traders like me. You should be glad you know me.*

That should put things in proper perspective.

Seeings that my minimum investment will be \$100,000,000 and my *off-the-top* management fee is 5%, once the 10 vacancies are filled I'll be 50 **million** dollars richer. And, since I'll manage the hedge fund from a small office in my new house overlooking the seashore, my staff will be limited. Running the hedge fund will require negligible amounts of money.

I'll be sure to let them know they have their choice of a 2, 3, 5 or 10 year lock-up period. Hopefully, they'll be sophisticated enough to see how that obviously reduces risks of overall losses even further.

Hey, what are partners for?

-bw
trickytraderfx@gmail.com