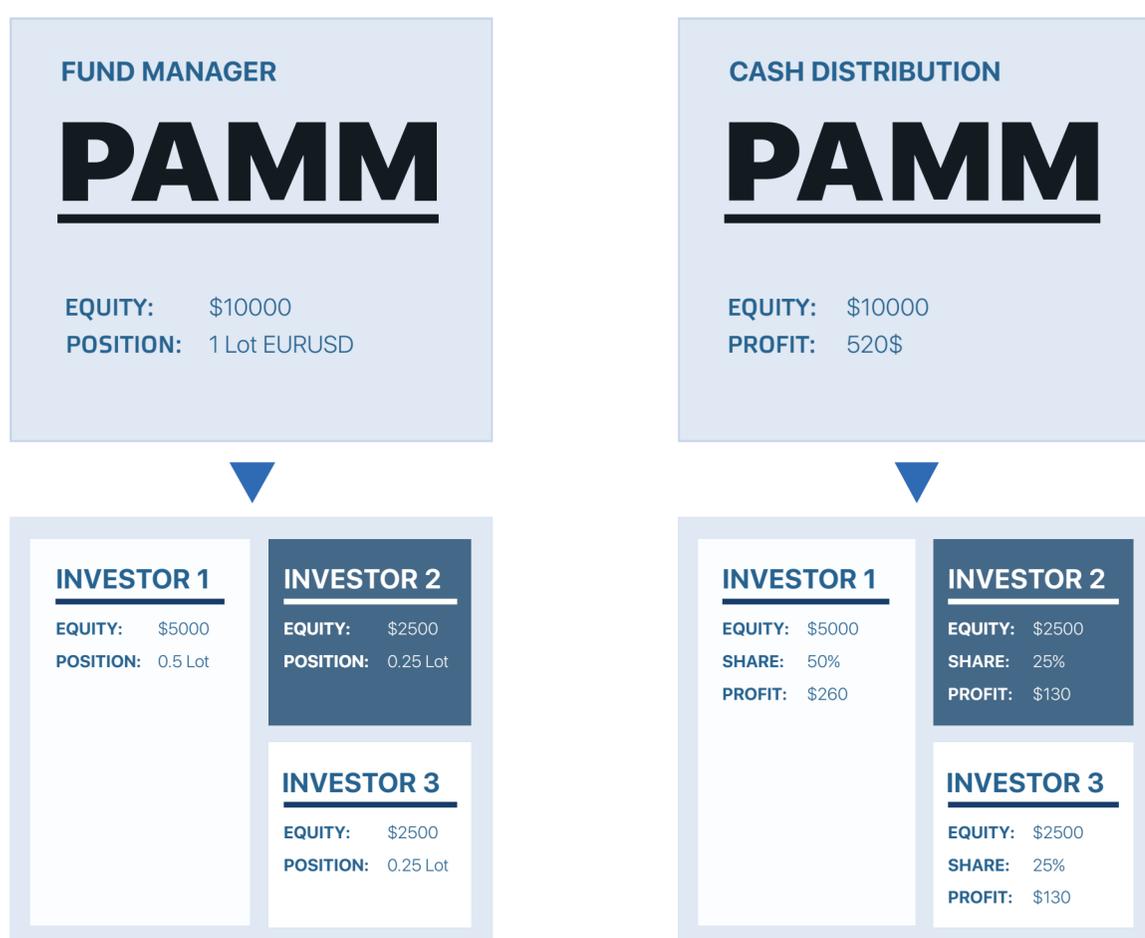


2 PAMM ACCOUNTS MODELS



General description for PAMM

- 1) Master account consists of equity of all investment accounts.
- 2) Master account is the only «real» trading account. So all orders to LPs will be sent from Master account only.

Difference

Split of positions

Position of Master account distributed to investors' MT4 accounts proportionally to sizes of investors.

Pros:

Transparency in MT

Investor can see his positions in Metatrader.

No changes of positions

When new investor makes a deposit or withdrawal, opened positions of current investors stays same.

One of our clients doesn't want to switch to cash distribution because his Chinese customers love when even after joining new investors to PAMM their positions stays same.

Split of Realized PnL

Profit and Loss which Master got from the positions distributed between investors proportionally to their sizes.

Rounding to 1 cent (\$0.01)

There are no trading orders distributed to investors. All PnL from positions of Master account will be distributed proportionally to sizes of investment accounts with rounding to 1 cent (maximum available precision).

No additional load to MT4

No opened orders are copied to slaves. Just balance operations. It saves the capacity and makes your server faster.

Any size of investors

As soon as no trading orders are copied to the slaves, there are no limitation of slave size. Investor with \$100 can invest in \$100000 PAMM and will get his share of PnL if it is bigger than 0.01\$.

Strategy protection

No orders are copied in MT so clients can not copy with any tool strategy of Master.

Same performance for everyone

All clients have same performance as a PAMM Master account on one time period. It is a great feature for retail investments when clients can find and join Master via leaderboard.

Cons:

Rounding to 0.01 lot

Master Order can be distributed to slaves only with rounding to 0.01 lot (to minimum lot size for instrument).

That means causes problems with distribution when investors in PAMM has significantly different sized of accounts (e.g. \$100 and \$1000000). In that case small investors can get sometimes no positions or bigger leverage.

It is highly recommended not to use it if a manager wants to trade with less than x5 leverage on PAMM where all accounts are different and can be very small or too big.

Different performance

As soon as new investors get only new trades, performance of investors can be different. PAMM become bigger after deposit but positions wasn't splitted to new slaves.

Important:

If a big new deposit joins PAMM, current positions will not be distributed to new account. So stop-out on slaves can occur faster even if free margin on Master account is enough. There is no such problem with cash distribution.

No updates in MT4

Investor will see only balance operations in MT4 when Master closes his positions.

BUT! investor will see Live stats and changes of equity in web interface, so «it is not a bug, it is a feature».