FC BARCELONA
OFFICIAL PARTNER

MONTHLY PERFORMANCE OVERVIEW

JULY 2016

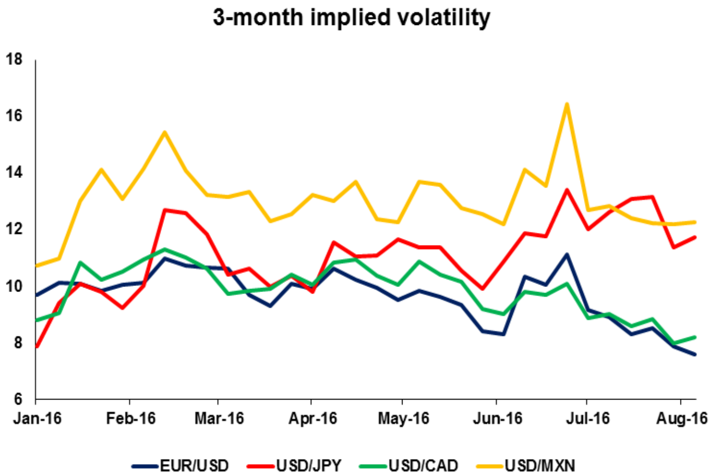
www.IronFX.com

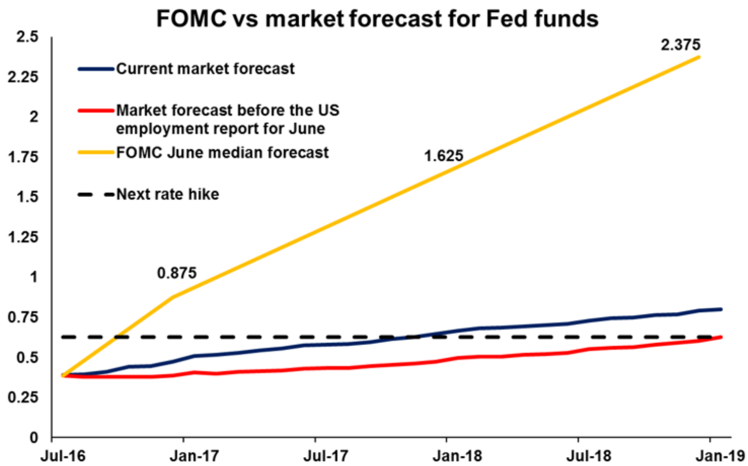
IronFX Global Limited is authorized and regulated by CySEC (Licence no. 125/10)

MARKET OVERVIEW

The key theme of monetary policy divergence in the FX market sphere seems to have re-emerged in July. The Fed introduced in its July policy statement the line "near-term risks to the economic outlook have diminished", a clear upgrade in language compared to June, which leaves the door open for a rate hike this year. Alongside the prospect for further easing by other major central banks (BoE, RBA, RBNZ, BoJ and to some extent the ECB), the market is once again hovering around this idea, which may help the USD to maintain its recent strength. It's worth noting however that the Fed has not convinced the markets yet that its hiking cycle is still in place. After briefly prompting a re-pricing of rate expectations higher in April and May, it has since backed off again and investors are reluctant to bring forth their rate hike expectations, despite the neutral-to-positive tone in July's statement. With the market having so little priced in for Fed hikes on a multi-year basis, any improvement in the data or a change in the tone/language of the FOMC members has the ability to create a more balanced pricing position, in our view.

Staying in the central bank regime, the Bank of England, the European Central Bank and the Bank of Japan, all disappointed market participants in July, who expected further easing or at least hints for another dose of stimulus to boost their economies. The string of disappointments kicked off with the BoE, which against expectations of a rate cut kept its benchmark interest rate unchanged and caused a temporary relief bounce in GBP. The ECB also held off from announcing any new stimulus measures and didn't showed the necessary willingness to act given the current Euro area economic outlook. With respect to the BoJ, the market was waiting to see what type of monetary policy easing the Bank can and will deliver, with high speculation for another "bazooka" type easing that impresses the market in terms of size, scope and novelty. Scenarios of "helicopter money" were in play up until the last minute of the decision announcement. In the event, the BoJ kept its QQE amount and negative rate policy settings unchanged (although it roughly doubled the proportion of ETF purchases) and JPY outperformed broadly its major peers due to the lack of aggressive easing measures.





For the time being, even though we still have some doubts whether indeed the monetary policy divergence theme will come into play again, we believe that the market has the prospect for a broad-based USD appreciation, with USD/JPY being an exception. Also, another large contributor to the recent USD strength has and could be further declines in oil prices, which have weakened key currencies in the broad USD index such as CAD and MXN.

We view the scenario of USD momentum as reasonable, and normally we could see an upside bias from current pricing under current conditions. However, we suspect that the coming risk event represented by the US presidential election in November is still a tail-risk factor that investors need to deal with caution. After a long period of ignoring the risk of the US election and mainly the possibility of Trump becoming the next US President and promoting his ideas on trade (e.g, leaving NAFTA, leaving the WTO), there are signs that the market needs to start pricing some risk of FX volatility more seriously. What is our trading stance on this? We prefer to stay positioned against the market volatility with some exposure on traditional G10 "safe haven" currencies like JPY and CHF and wait for opportunities to buy USD against pro-risk currencies, such as CAD, AUD and NZD.

IronFX SOLID TRADING | FC BARCELONA OFFICIAL PARTNER

HYBRID STRATEGY

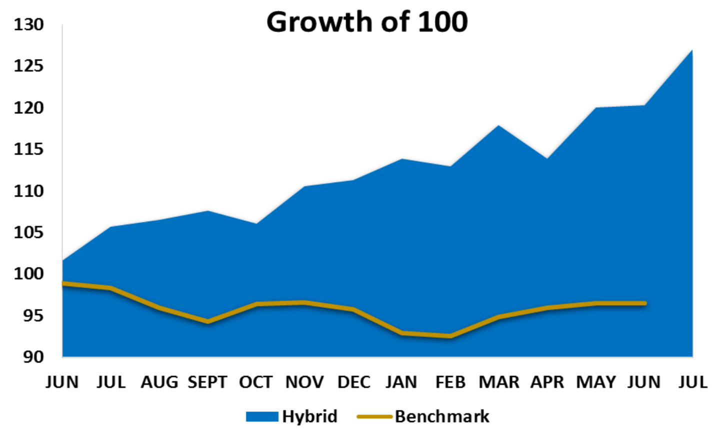
OVERALL RETURN SINCE JUNE 2015 **24.60%**[1]

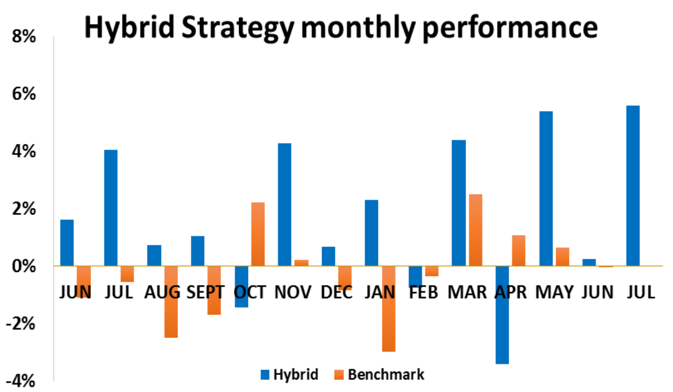
The Hybrid Strategy is an advanced trading strategy with medium-term timeframes based on fundamental and technical analysis. We combine our knowledge and expertise of the markets to take decisions depending on the prevailing global economic conditions and important technical levels. We seek to identify price movements through the use of a proprietary blend using, but not limited to the following: Economic news, options expirations, technical support and resistance levels, moving averages (50, 100, 200), Relative Strength Index and MACD (Moving Average Convergence Divergence) amongst others.

PORTFOLIO DETAILS

Launch date: 01.06.2015
Management fee per month: 0.167%
Performance fee[2]**:** 30%
Max drawdown: 4.3%
Subscription: Daily
Redemption: 5 days' notice

STRATEGY PERFORMANCE TO DATE





	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	Overall Return	Average Return
HYBRID[1]	1.04%	-1.44%	4.26%	0.66%	2.29%	-0.77%	4.39%	-3.4%	5.82%	0.23%	5.58%	24.60%	1.76%
Benchmark[3]	-1.69%	2.22%	0.22%	-0.84%	-2.99%	-0.36%	2.49%	1.08%	0.65%	-0.02%	n/a	-3.38%	-0.26%
Performance over benchmark	2.73%	-3.66%	4.04%	1.50%	5.28%	-0.44%	1.90%	-4.48%	4.73%	0.21%	n/a	27.88%	2.02%

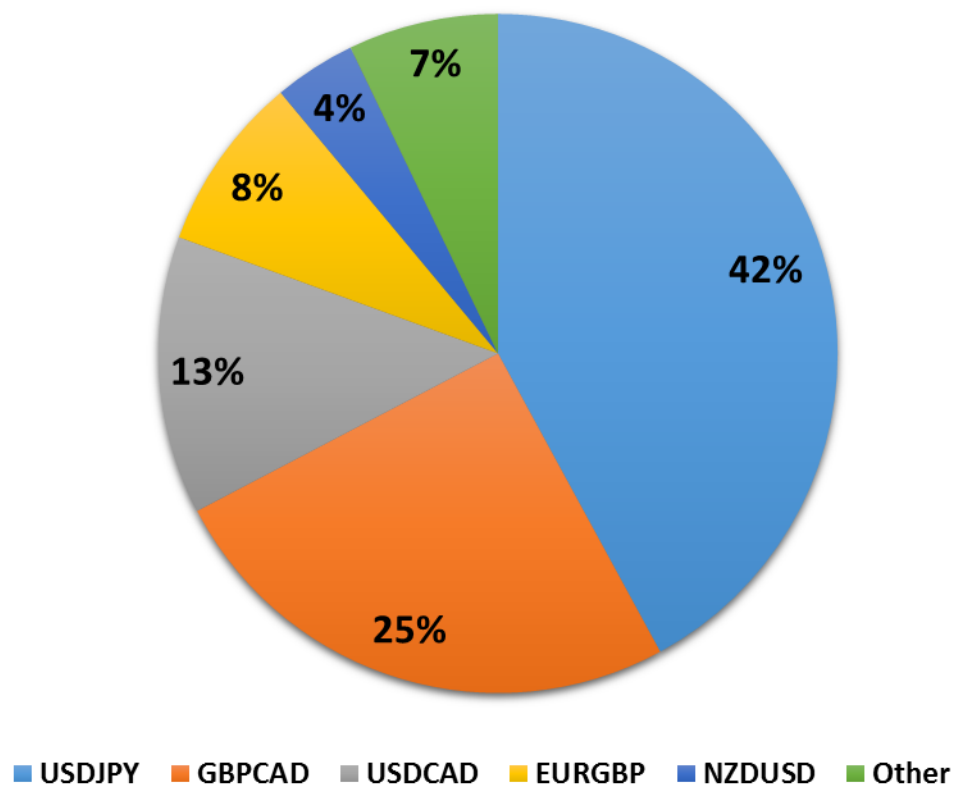
[1] *Past performance is not an indicator and does not guarantee or predict future performance*
[2] *For the performance fee high-water mark is used*
[3] *You can find the benchmark in this link: http://www.barclayhedge.com/research/indices/ghs/Hedge_Fund_Index.html*

JULY HYBRID STRATEGY UPDATE

The Hybrid strategy finished with a strong positive performance in July, as the speculative sentiment towards a more USD-bullish trend extended from the early days of the month towards the end of it. Afterwards, our shift to a more risk-negative positioning after the BoJ disappointed the markets also added to the overall strong performance of the strategy. The aggregate bull bet on USD on expectations of a hawkish language by the Fed and speculation for further easing by the BoJ was more than enough to help us to lock profits on our net long USD/JPY positions. In addition, the decline in oil prices, which kept the Canadian dollar under selling pressure, also had a positive impact on the overall return. Going forward, we believe that the market has the prospect for a broad-based USD appreciation, with USD/JPY being an exception. As such, we believe that under current market conditions any hawkish rhetoric by Fed officials could help to create a more balanced pricing position. Nevertheless, with August being a month of surprises, we would prefer to maintain some exposure on the traditional G10 “safe haven” currencies like JPY and CHF as well.

EXPOSURE ANALYSIS

IronFX Portfolio Management's Hybrid Strategy is traded on leveraged instruments, primarily on currency pairs such as EUR/USD, GBP/USD, USD/JPY, AUD/USD, USD/CAD, NZD/USD, GBP/JPY, EUR/JPY, EUR/GBP, GBP/CAD, USD/CHF and at times AUD/JPY. However, IronFX Portfolio Management reserves the right to add and remove any currency pair we deem to be either beneficial or harmful to the strategy.



FC BARCELONA OFFICIAL PARTNER

DYNAMIC STRATEGY

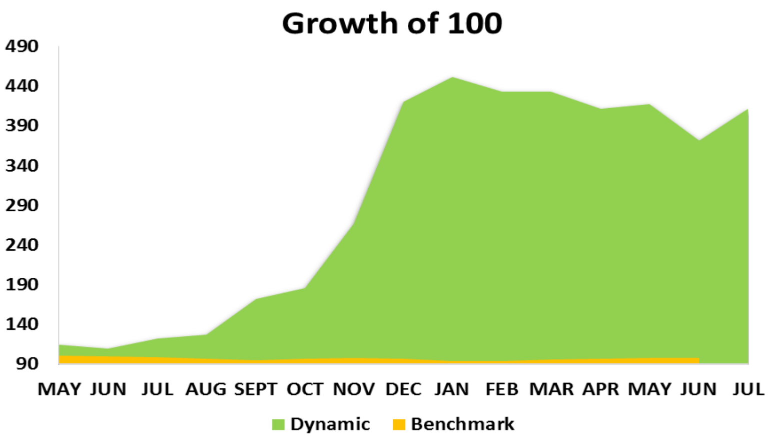
OVERALL RETURN SINCE MAY 2015 **170.19%[4]**

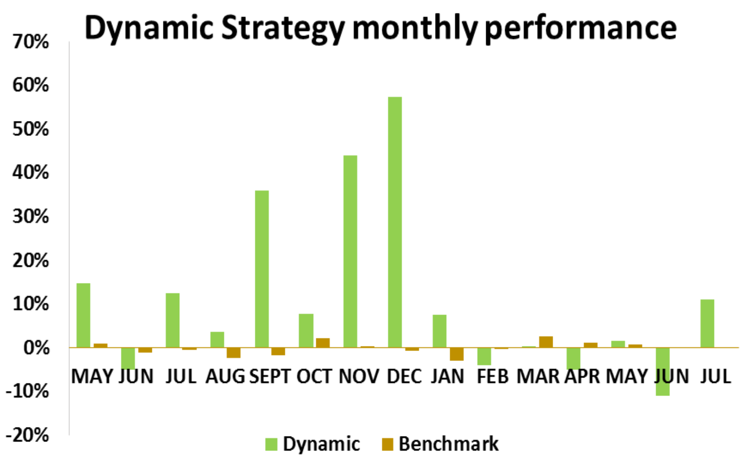
The Dynamic Strategy is an algorithmic and high-frequency trading strategy based primarily on technical indicators. We use an advanced, computerized trading infrastructure to execute a high volume of trades within short to medium-term timeframes. The key technical indicators we use are, modified Ichimoku Kinko Hyo and correlation matrix, among others.

PORTFOLIO DETAILS

Launch date:	01.05.2015	**Max drawdown:**	13.1%
Management fee:	0.0%	**Subscription:**	Daily
Performance fee[5]:	50%	**Redemption:**	5 days' notice

STRATEGY PERFORMANCE TO DATE





	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	Overall Return	Average Return
DYNAMIC[4]	35.81%	7.66%	43.87%	57.36%	7.4%	-4.08%	0.04%	-5.1%	1.58%	-11.13%	11.0%	170.19%	11.35%
Benchmark[6]	-1.69%	2.22%	0.22%	-0.84%	-2.99%	-0.36%	2.49%	1.08%	0.65%	-0.02%	n/a	-2.32%	-0.17%
Performance over benchmark	37.50%	5.44%	43.65%	58.20%	10.39%	-3.72%	-2.45%	-6.18%	0.93%	-11.15%	n/a	172.51%	11.51%

4 *Past performance is not an indicator and does not guarantee or predict future performance*

5 *For the performance fee high-water mark is used*

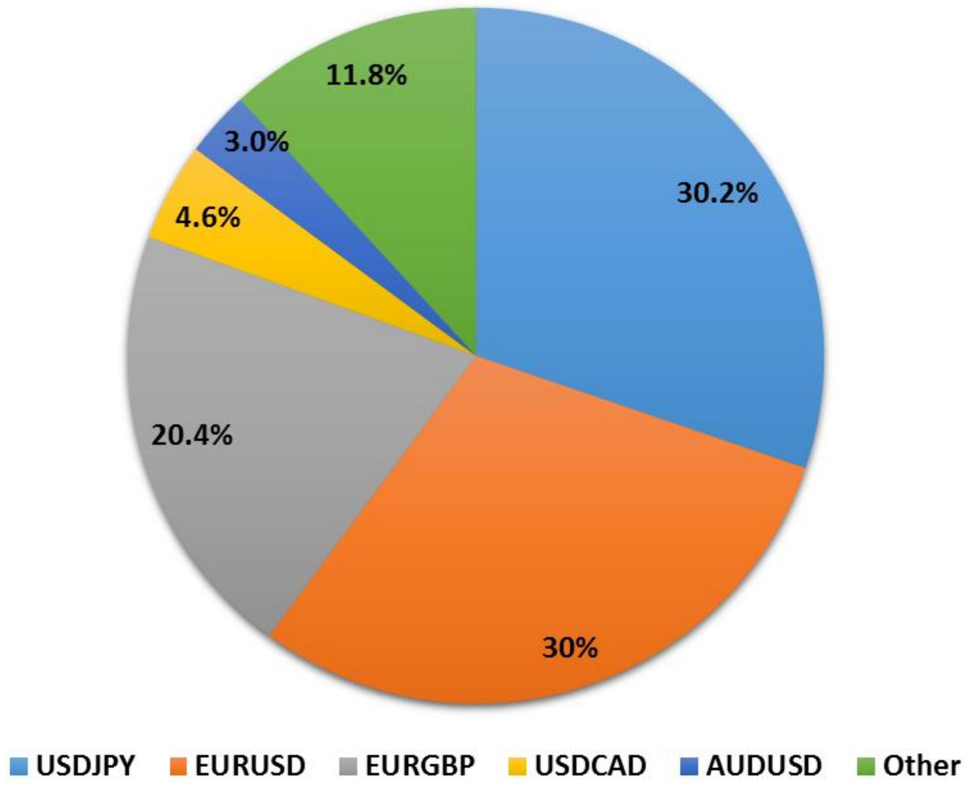
6 *You can find the benchmark in this link:http://www.barclayhedge.com/research/indices/ghs/Hedge_Fund_Index.html*

JULY DYNAMIC STRATEGY UPDATE

The Dynamic strategy finished with a strong positive performance in July. A broad-based market calmness, and the less uncertain trading environment was one of the main reasons for this strategy's gains. Having kept exposure mainly on USD/JPY and EUR/USD, the strategy experienced positive returns from the overall USD appreciation. On top of that, the reluctance of major CBs to take additional easing measures and distort market conditions provided favorable conditions for our algorithmic trading strategy.

EXPOSURE ANALYSIS

IronFX Portfolio Management's Dynamic Strategy is traded on leveraged instruments, primarily on currency pairs such as EUR/USD, GBP/USD, USD/JPY, and EUR/JPY. However, IronFX Portfolio Management reserves the right to add and remove any currency pair we deem to be either beneficial or harmful to the strategy.



Disclaimer: This information is not considered as investment advice or investment recommendation but instead a marketing communication. This material has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and that it is not subject to any prohibition on dealing ahead of the dissemination of investment research. IronFX may act as principal (i.e. the counterparty) when executing clients' orders. This material is just the personal opinion of the author(s) and client's investment objective and risks tolerance have not been considered. IronFX is not responsible for any loss arising from any information herein contained. Past performance does not guarantee or predict any future performance. Redistribution of this material is strictly prohibited.

Risk Warning: Our products are traded on margin and carry a high level of risk and it is possible to lose all your capital. These products may not be suitable for everyone and you should ensure that you understand the risks involved. Seek independent advice if necessary