



*a complete turnkey solution for*

## ***Hedge & Mutual Funds***

that provides trading, clearing, and reporting capability on over 100 market destinations worldwide from a single account

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*DISCLAIMER: This is a general overview of the Interactive Brokers Introducing Broker Accounts (terms and conditions apply). This overview is not complete, is subject to change without notice and **IS AIMED FOR PROFESSIONAL INSTITUTIONAL CLIENTS ONLY (SO IT IS NOT SUITABLE FOR RETAIL CLIENTS)**. Trading in designated investment carries risks for your underlying clients. Hence, please refer to the Interactive Brokers website for further details. Interactive Brokers (U.K.) Limited is authorised and regulated by the Financial Conduct Authority. FCA register entry number 208159 (<http://www.fsa.gov.uk/register/>).*

**www.interactivebrokers.co.uk**

Financial Strength & Stability

STANDARD & POOR'S

**A-/A-2**  
Interactive Brokers  
**OUTLOOK STABLE**

Learn More »

S&P Credit Ratings Comparison <sup>2</sup>

Broker Dealer	Rating	Outlook
JPMorgan Chase & Co.	A	Negative
<b>Interactive Brokers</b>	<b>A-</b>	<b>Stable</b>
Bank of America Corp.	A-	Negative
Citigroup Inc.	A-	Negative
Goldman Sachs	A-	Negative
Merrill Lynch & Co., Inc.	A-	Negative
Morgan Stanley	A-	Negative
Jefferies	BBB	Stable

- On a consolidated basis, **Interactive Brokers Group (IBG LLC)** exceeds \$5 billion in equity capital.
- IBG LLC's owners are our public company, Interactive Brokers Group, Inc. (13.6%) and the firm's employees and their affiliates (86.4%).
- We hold no material positions in over-the-counter securities or derivatives. We hold no CDOs, MBS or CDS. The gross amount of our portfolio of debt securities, with the exception of U.S. government securities, is less than 10% of our equity capital.
- Our positions are marked to market daily and the resulting payables/receivables are reconciled to outside sources automatically.
- Our real-time margining system marks all customer positions to market continuously.
- We have reported solidly positive earnings for the past 20 consecutive years.
- Interactive Brokers LLC is rated 'A-/A-2'; Outlook Stable by Standard & Poor's.

Trade on over  
**100 market centers**  
**in 23 countries**

Direct market access to stocks, options, futures, forex, bonds,  
ETFs and CFDs from a single IB Universal Account <sup>SM</sup>.  
Fund your account in multiple currencies.

Our Hedge and Mutual Fund accounts let investment managers set-up different structures to meet their needs.

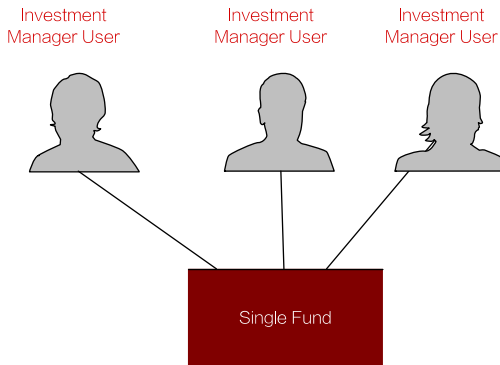
**All our Fund Accounts offer the following benefits:**

- A user access rights system that allows you to assign different managerial roles and client accounts to individual employees within your organization.
- Trades can be given up to pre-trade or post-trade to multiple prime locations or taken-up from an executing broker.
- Risk based Portfolio Margin or Reg. T Margin Accounts.

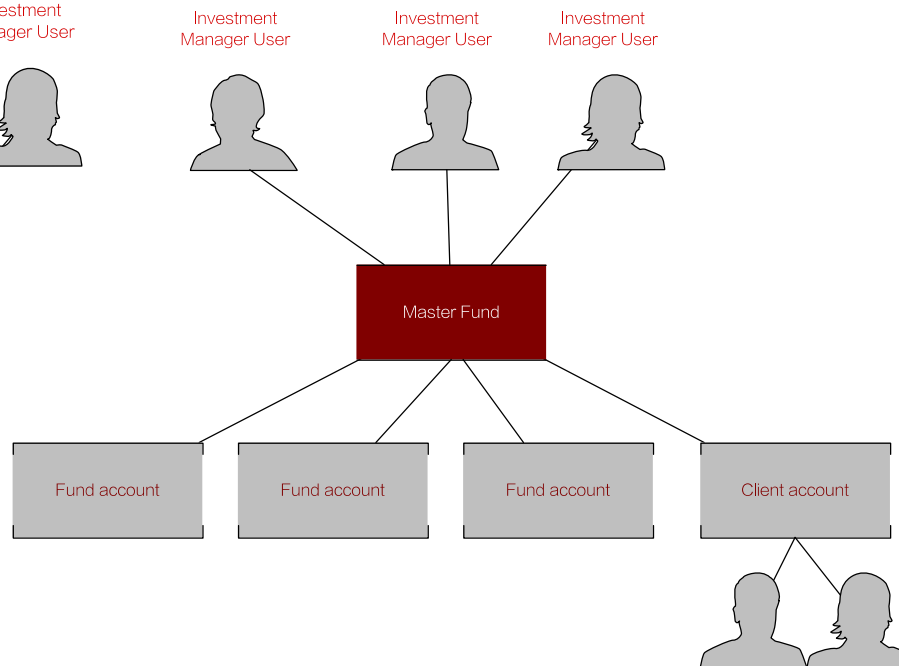
## We offer three types of Fund account structures

All three give institutions the flexibility of trade execution, clearing and prime broker services all within the same account.

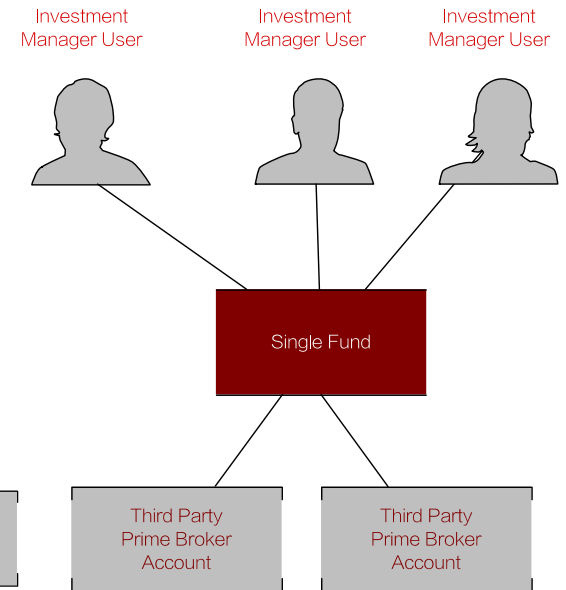
### Single Fund



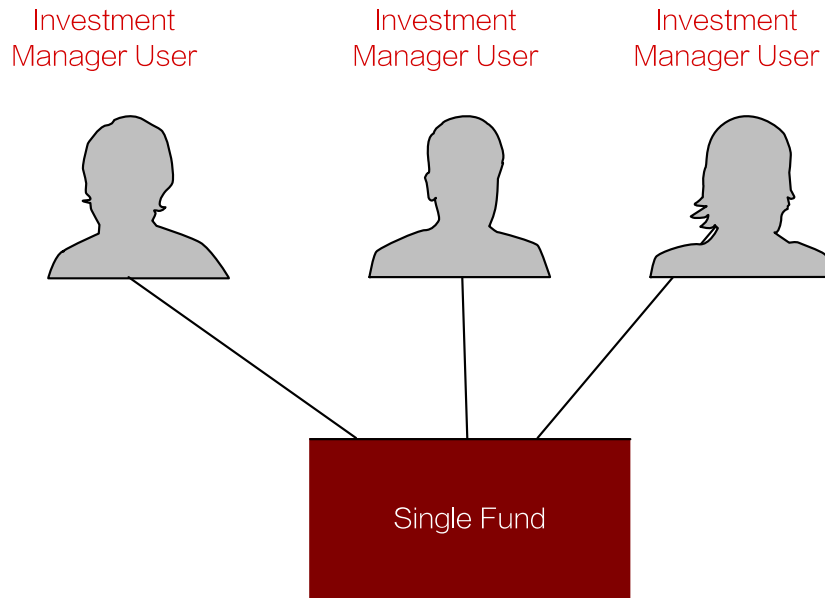
### Multiple Fund Account



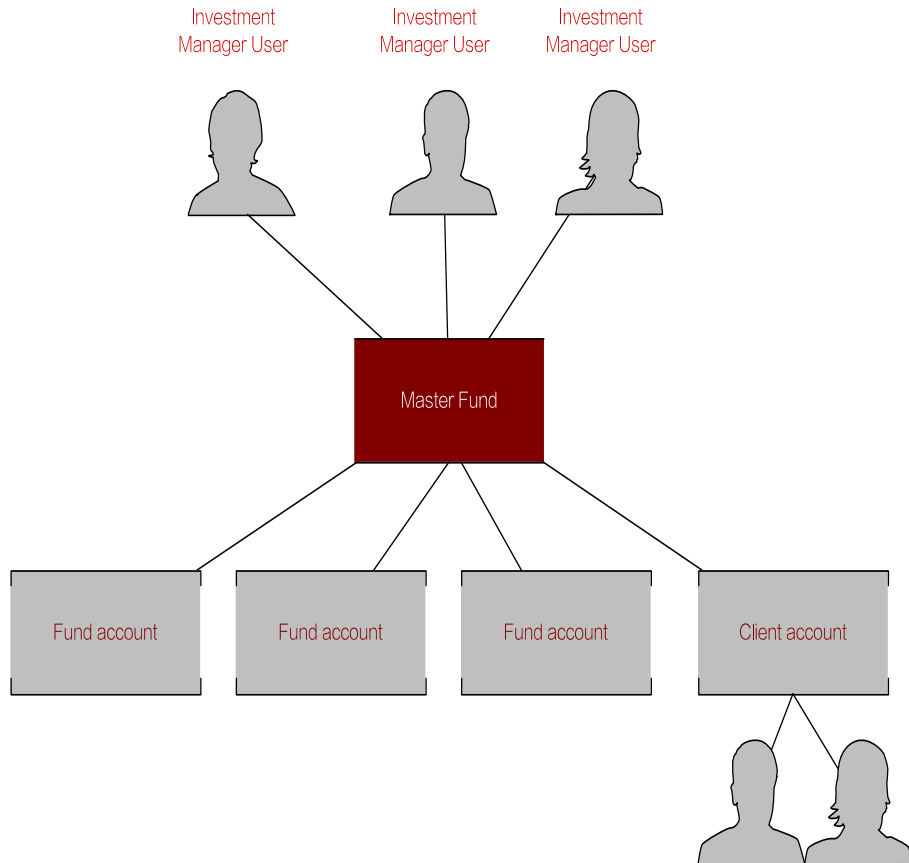
### Allocation Fund Account



## Single Fund Highlights

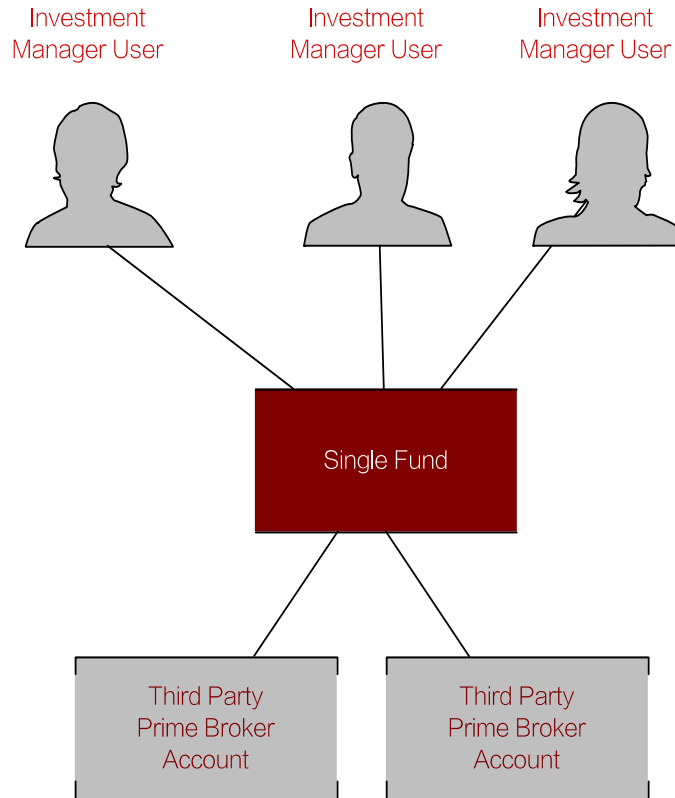


- A single fund with multiple users.
- Can have multiple Separate Trading Limit (STL) sub accounts with the following characteristics:
- Master, sub accounts and users are part of the same legal entity.
- Funds are deposited in the master account and transferred between the master and sub accounts to control individual trader limits.
- Initial margining is determined for each individual account, while maintenance margining is determined at a consolidated account level.
- Master users can set trading limits on individual sub accounts based on order size and value.
- Link to Administrators for the purpose of providing administrative services such as reporting to your clients. Shop for registered Administrators at the Administration Marketplace.



## Master Fund Highlights

- One or more fund accounts managed by an Investment Manager.
- The Investment Manager can add separately managed client accounts.
- Each Fund account can be owned by a separate legal entity and is credit-managed separately.
- Execute trades for multiple Funds in an Allocation Account and assign trades before the end of the day to specific cleared Fund Accounts.
- Pre-trade allocation tools.
- Link to Administrators for the purpose of providing administrative services such as reporting to your clients. Shop for registered Administrators at the Link to Administrators for the purpose of providing administrative services such as reporting to your clients. Shop for registered Administrators at the Administration Marketplace.



## Allocation Fund Highlights

- An allocation account for trade executions that allows for end of day give-up of trades to accounts at third-party prime brokers.

## Why IB?

Low Cost and Best Price Execution

### Best Price Execution - IB's SmartRouting Advantage

IB SmartRouting<sup>SM</sup> searches for the best firm stock, option, and combination prices available at the time of your order, and seeks to immediately execute your order electronically.

	IB Price Advantage*, better than the Industry by:
<b>US Stocks</b> (per 100 shares)	\$0.23
<b>US Options</b> (per contract)	\$0.20
<b>European Stocks</b> (per 100 shares)	€1.22

#### Net Dollar Price Improvement vs. National Best Bid/Offer<sup>4</sup>

\*Based on independent measurements, the Transaction Auditing Group, Inc., (TAG), a third-party provider of transaction analysis, has determined that Interactive Brokers' US stock and options price executions were significantly better than the industry<sup>5</sup> during the second half of 2013.



## Why IB?

### Global Offerings

Trade on over 100 market centers in 23 countries.  
Direct market access to stocks, options, futures, forex, bonds, ETFs and CFDs  
from a single IB Universal Account™.

- Trade assets denominated in **multiple currencies**  from a single account.
- Convert currencies at market determined rates as low as 1/2 PIP wide, or create a position collateralized by a non-native currency.
- Access market data 24 hours a day and six days a week to stay connected to all global markets.
- Awarded 4.5-star rating by Barron's magazine in the *Best for International Traders* category <sup>1</sup>, our breadth of product offering is unrivaled.



North America 



Europe 



Asia-Pacific 

## Why IB?

### Superior Trading Technology

- Our trading platforms have been designed with the professional trader in mind:
- Optimize your trading speed and efficiency with our market maker-designed Trader Workstation (TWS) which lets you choose the workspace that best suits your trading needs: TWS Mosaic provides out-of-the-box usability in a single, comprehensive and intuitive workspace with quick and easy access to trading, order management and portfolio tools.
- Advanced Order Management gives you single-click trading in a spreadsheet interface, and lets you access many advanced trading tools in multiple windows.
- Use our HTML-based WebTrader, which lets traders who prefer a clean and simple interface or are behind a firewall easily view market data, submit orders, and monitor their accounts and executions.
- Trade your IB account on the go from just about any mobile device, including an iPhone™, iPad™, Android, or BlackBerry®.

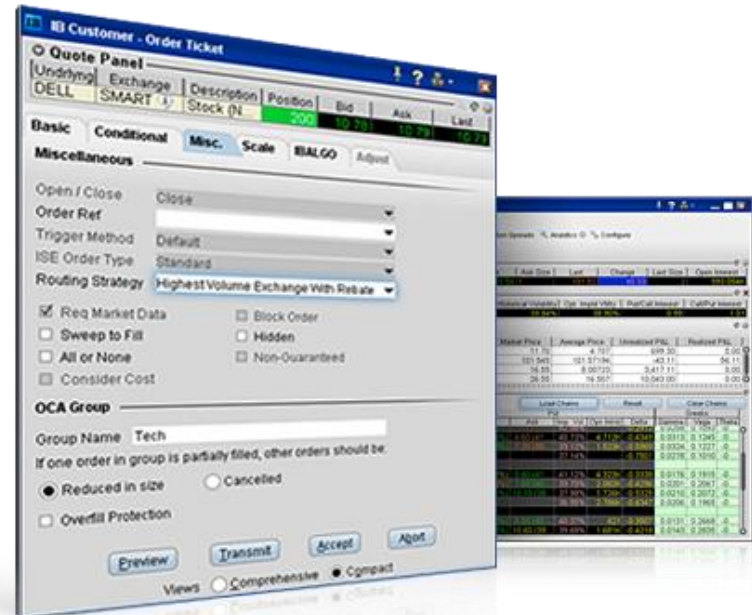


## Why IB?

### Superior Trading Technology: Order Types and Algos

Trader Workstation supports a wide variety of order types and algos to accommodate the needs of all traders and all strategies:

- Choose from over 60 order types and algos that can help limit risk, speed execution, provide price improvement, allow privacy and time the market.
- Traders who need to balance market impact with risk to achieve the best execution for their large volume orders use IBAlgos, advanced trading algorithms that help implement optimal trading strategies in Trader Workstation (TWS). In addition to our IBAlgos, TWS includes the Accumulate Distribute Algo > which minimizes market impact for large orders by slicing the order into increments and buying or selling over time at pre-defined, randomized time intervals.



## Why IB?

### Superior Trading Technology: Advanced Trading Tools

Trader Workstation gives you access to a variety of advanced trading tools:

- Use the TWS Scale Trader to execute large volume orders while minimizing the effects of increasingly deteriorating prices.
- Use the Option Trader to view data and options from a single customizable screen.
- Use the FX Trader to trade Forex markets from an optimised trading interface.

And many more...

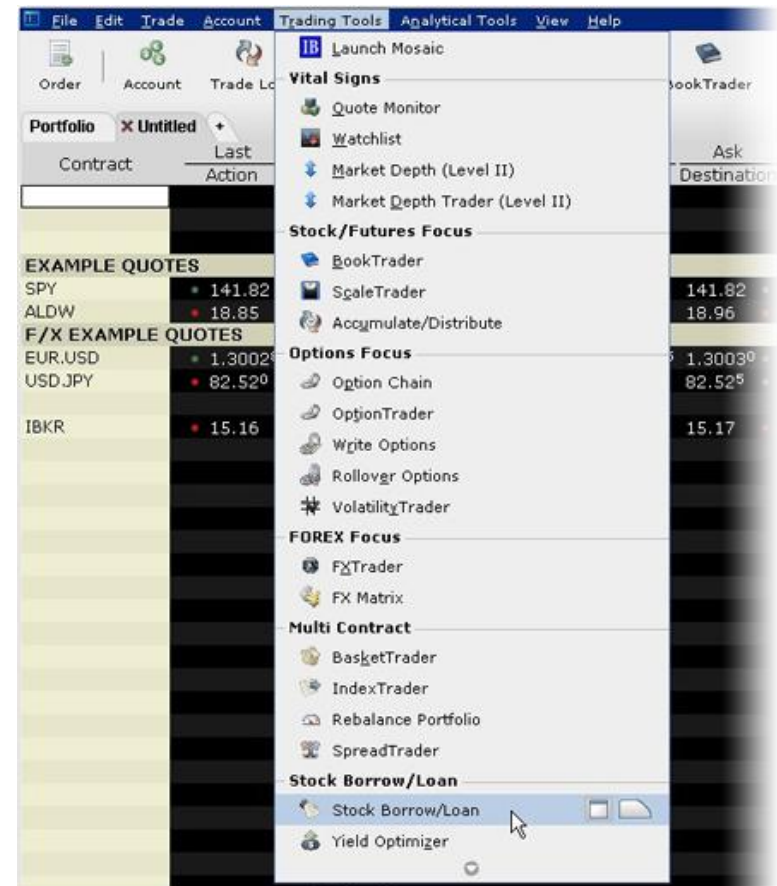


## Why IB?

### Superior Trading Technology: Stock Borrow and Loan

Our suite of electronic Stock Borrow and Loan solutions provides all the tools professional trades need:

- Use the Stock Borrow Loan features in Trader Workstation to electronically borrow and lend US stocks via the AQS® Marketplace.
- Use the Short Stock Availability Tool in Account Management to search for real-time availability of shortable stocks and indicative borrow rates.
- Join our Stock Yield Enhancement Program, which lets you lend your fully-paid stock shares and earn half the borrow revenue received by Interactive Brokers.
- Join our Pre-Borrow Program, which lets you pre-borrow shares.



## Why IB?

### Superior Trading Technology: Alternative Access via IB API and FIX CTCL

We provide alternatives for customers who prefer to access the IB trading system using their own front end. Use our IB Application Programming Interface (API) or our FIX CTCL connections:

- Create your own customized trading application using our proprietary API. Our API is available in multiple programming languages and does not require additional technical overhead such as a dedicated FIX server.
- Access our trading system using our industry-standard FIX CTCL solution, which is designed for customers who can support a FIX Computer-to-Computer Interface (CTCL) infrastructure.

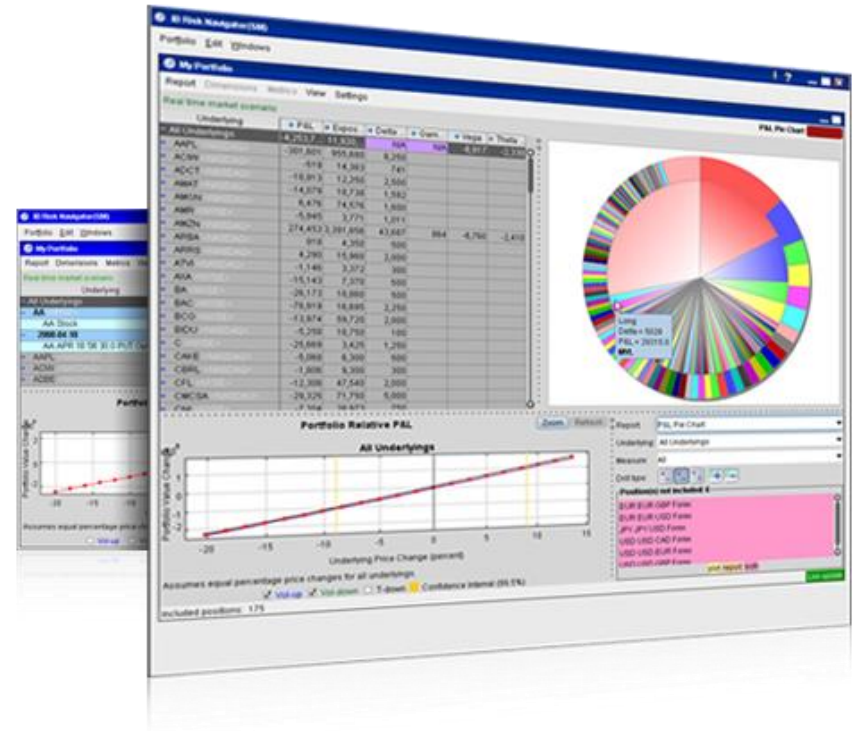


## Why IB?

### Risk Management

Our trading platforms have been designed with the professional trader in mind:

- Real-time monitoring systems help you understand and manage your own trading risk at any moment of the day so you can react quickly to changes in the market.
- Real-time margining continuously enforces limits for each account, automatically liquidating positions if any individual account violates its limits at any time.
- IB Risk Navigator, our free real-time market risk management platform, unifies exposure across multiple asset classes around the globe and lets you monitor and adjust your risk profile.
- Orders are automatically vetted on a pre-trade basis.



## Why IB?

### Portfolio Analyst

Analyze the performance of your portfolio online by creating and saving customizable presentation-ready PDF reports in Portfolio Analyst:

- Create and save reports based on a set of measurement criteria and optionally compare the data to selected industry benchmarks.
- Select one or more reports in your analysis, including allocation by sector or asset class, time period or cumulative performance, risk measures, and more.
- Use the Performance Attribution report to explain differences between your portfolio and the S&P 500 Index due to asset allocation and/or return deviations from the index.
- Create single-page snapshot PDF reports suitable for presentation.





## Costs and fees to open an account:

*Initial Deposit + Minimum monthly fee + Commissions + Market Data + Interest/Finance + Other fees*

### Commissions

#### Cost Plus

Our transparent *Cost Plus* pricing for stocks, ETFs and warrants includes our low broker commission, which decreases depending on volume, plus exchange, regulatory, and clearing fees. In cases where an exchange provides a rebate, we pass some or all of the savings directly back to your fund.

#### Flat Rate

Our *Flat Rate* pricing for stocks, ETFs and warrants charges a fixed amount per share or a set percent of trade value, and includes all IB commissions, exchange and regulatory fees. For US stocks, ETFs and warrants, the transaction fees are passed through on all stock sales.

Worldwide trade execution,  
clearing and specialized  
account structures meet the  
needs of **institutions of all sizes**

## Hedge Fund Application Steps Checklist

Trade on over  
**100 market centers**  
**in 23 countries**

Direct market access to stocks, options, futures, forex, bonds,  
ETFs and CFDs from a single IB Universal Account<sup>SM</sup>.

Fund your account in multiple currencies.

1. **Complete the Investment Manager Electronic Application.**
2. **Fund Your Account**
3. **IB Application Review**
4. **IB Application Review Results**
5. **Ready to trade.**
6. **(Optional submit an application for each fund)**

a complete turnkey solution for

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that provides trading, clearing, and reporting  
capability on over 100 market destinations  
worldwide from a single account

## Questions and Answers

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