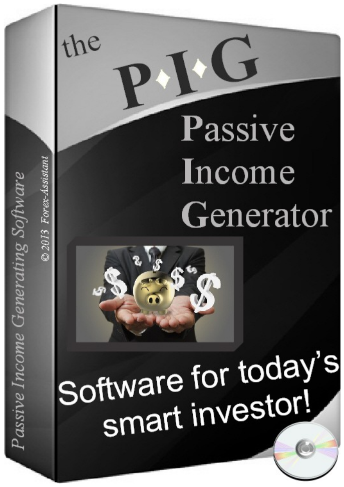


P I G

Passive Income Generator

users manual

The Forex-Assistant Research group, proudly introduces the long awaited 'Passive Income Generator', a true breakthrough in the field of automated investing.

PIG is an ingenious piece of software that does for your investments what TurboTax does for your taxes. Computer technology has made many processes - including investing - easier, by automating them.

An Introduction:

How would you like your very own robot that could go to work for you and give you the paycheck? That day may not be so far off as computer programs and robotics abilities are increasing at breathtaking speeds. IBM's 'Deep Blue' beat the then reigning Grand Master of chess, almost 20 years ago. 'Watson', also from IBM, not only successfully competed on Jeopardy, but impressively beat the former two best Jeopardy champions. Watson is now working in the medical field, another shining success for IBM and computerized technology.

So can you really trust a computer robot to actually make you money? Yes. However you will not need to take anything on faith, as by the time you finish this short explanation and manual, there won't be any questions left. You will be surprised to find just how logical and simple this system is. Most investors ask why more people haven't been doing this for their retirement instead of playing the markets? We will answer that and more questions, in every attempt to help you feel as comfortable as possible with this brand new industry.

Let's face facts, even though we all benefited incredibly from microwave ovens, when they first came out the big question was whether or not all of the microwaves really stayed in that box or if this new type of oven was going to eventually cook us. The ovens were safe and our fears were unfounded, but its only human to be concerned about anything new.

When it comes to using the Passive Income Generator for your investments, you won't need to wait around for others use it so you can watch to see if they survived, it already has a proven track record, and besides it's just not all that complicated to figure out.

Technology is advancing at a very rapid rate, let's keep up with it, and use it to our advantage!

Safety in Investing on the Currency Market:

About a half a dozen years ago, I set out to find the safest and most profitable retirement option in existence. I did it for the most reasonable reason my family and I could think of, we wanted to quit working and retire, and the sooner the better.

As it turns out, research is as natural to me as breathing, even my degree field is a type of applied mathematics called Operations Research. Researching the various retirement systems and figuring out the best one for us, seemed like the fasted and most intelligent way to get retired, rather than just following the crowd. We were looking for safety first, and profit second. Safety was our main concern, as we were looking for a reliable way to generate retirement income. After reviewing all the available options, when we got to the forex, we knew we had found our market. The forex market is the largest and arguably the safest market in the world.

What makes an investment safe? There are two main components, transparency and liquidity plus a third that we will get to in a moment. Transparency means that the investment principles have nothing to hide, while liquidity is the ability to close out your investments when you want and not have to wait for someone to buy what ever it is you are selling.

As an example, a couple of years back a big oil company called Enron pretended to have a lot more holdings than it actually did and when they were found out, everyone holding their stock took a bath. This is a case of poor transparency. Enron was cooking its books, that is just one of the hidden risks associated with the stock market, however in the forex market there are no books. We deal solely in cash, little green pieces of paper that everyone wants to have a lot more of. And that is just what the forex market is all about, cash. The forex is the real money market and the ultimate in transparency.

A good example of poor liquidity was a problem that occurred back in the 1970's when the Hunt brothers tried to corner the silver market, driving the price up ten times its normal use value. When people wanted to buy, there was little available. You can also have the opposite effect with poor liquidity, when you want to sell there are not enough buyers, driving the price down. The forex market is without a doubt the most liquid and transparent market in the world, making it also one of the safest.

Now the icing on the cake, here is why the forex market works so well. Every day many governments and companies need to exchange one currency for another, ie: their dollars for euros or euros for yen. So they go to the foreign exchange currency market (forex) as a way to efficiently run their businesses. As an example: Utilizing the foreign exchange market is how a US auto maker can buy parts from Japan in yen, while paying the labors in Mexico and in the US in pesos and in dollars respectively, while selling their cars in Europe for euros. The reason that the system doesn't go out of whack is because there are just as many companies, banks and traders wanting to trade in the other direction.

If too many governments and businesses want more dollars than others are selling, the price for dollars goes up. If everyone is selling and few are buying, then the price goes down. But the forex market has a hidden safety feature that the other markets just don't have, the currencies that traders and investors are buying and selling are the very lifeblood of the country that use it for its business. If the price of its currency goes too high, other countries won't be able to afford to buy their products and will go shopping for another supplier - the old supplier loses business and would therefore pay less taxes - people get laid off, and everyone is hurting. The solution is to devalue their currency quick so that people in other counties will want to buy them.

From this we can see that countries and central banks work hard to keep the money value within a reasonable range of every other country's currency, adding more of their currency when needed. In other words, though the price will continually fluctuate, there is a normal range for each currency pair. Stock prices are given in terms of a currency, which means that as the value of the currency is driven down, the price of stocks will always be driven up. It makes it look like there is a bull market in stocks but really the companies may not be doing all that well, it's just the price is going up because the value of the dollar is going down.

Forex doesn't have that problem. When one countries currency is cheap, the other countries will also cheapen their currency to match so that others can still afford to buy their products. This normalizing of the currencies is also a third safety feature that is unknown in the other markets. This concept of normal is particular to the forex market only and can give the forex investor a serious edge if they know how to take advantage of it.

When you bring these three element together - liquidity, transparency and normalcy - you have one of the safest markets in the world from which to generate money, if you know how. And the 'how' is just what we have been working on for the last several years.

How to safely make money on the forex market:

After checking out the other, more established ways of creating a safe and reliable passive income for my wife and myself, we seriously began looking into trading on the forex market. However, in the beginning we were flat out shocked at how many people that were losing money in this market. Over 85% of existing forex traders/investors were losing money. And of those that were making money regularly, not so many were making over 6% a year which could be gotten from annuities. We began our investigation by finding out what the existing traders were doing wrong.

I continued to be a bit nervous at first until I learned that the forex market was only just seven years old at that time. Then it all made sense, everyone was losing money because no one ever looked at the market critically and designed a system for the forex based on safety - so we did. While most all of the other traders were trying to prophesy the future direction of the price and how far it would go, we turned to mathematics. The natural thing to do was to use a grid, a fundamental part of matrix algebra that while learning it, most students wonder how they would ever use that information in real life.

Automated Trading:

The reason that we chose mathematically based systems was because we intended the system to run all by itself on a computer, therefore we needed to design the system to take advantage of the computers strength, which happens to be mathematics. We completed and published our first program in April of 2008, and that program ran for 15 months straight taking over 3000 trades with zero losses.

A note of interest regarding our first no-loss trading program is that when it came out back in 2008 we evidently spooked someone because within 15 months of that programs' release the US government changed the rules for US brokers so that for the first time in history, and only in the US, do you have to close all of your older trades before you can close the newest one - this is called FIFO (first in-first out), and at the same time they eliminated hedge trading. Both of these techniques were employed by that original no-loss program of ours - RoboMiner. And that system still exists and can be used today, just not in the US.

However, I would not be dissuaded. I had decided that the world was bigger than the US, and I continued to develop systems for the rest of the world, including a revision of RoboMiner for the casual investor which we call "Retirement Investment Softwar***e***" or RISE. However, one of our earliest partners didn't want to give up on creating a system that could be used by US traders; it has taken him 5 years, but he did it. We now have a no-loss trading system (the Passive Income Generator) for those living in the US. We affectionately call the Passive Income Generator 'The PIG' not only for the first letters of Passive Income Generator but because it gobbles up profits very impressively. We do need to note however that there's a small modification in how we identify what a no loss system truly is.

The new system designed for US investors closes several trades at the same time, some will show a loss but some will show a greater profit so for every group closing, there will be a total profit. The amount of the annual profit percentage is dependent on the settings, but using a conservative setting the Passive Income Generator averages about the same as the one that is available to the rest of the world, which is just over 12% annually.

In forex, you can buy or you can sell any currency pair. The reason for this is that to buy the Euro and give as payment the US dollar (EUR/USD), it is said that you would buy the pair. However if you wished to buy the US Dollar and give as payment the Euro, there is no listing for (USD/EUR) so instead you are said to sell the EUR/USD pair. What we discovered was that since there was a normal center of any currency pair, sooner or later the price would migrate toward it. Therefore we only do buys when the price is below center and sells when it is above.

This little trick cuts down the amount that you need to keep in your account so that you safely trade the system without having to worry about a margin call. If you knew that the smallest price movement (called a pip) would make you $0.10 every time it moved in the right direction or add the same amount to your draw-down when it goes the wrong direction, you could easily calculate how much you would need to protect your account. Let's say that the total distance from the lowest that the price had ever reached to the highest was 4,000 pips. If we were in the center, we would only have 2000 pips, or about 20 cents, difference to either of the historical limits. At ten cents a pip, that would mean that if we had $200 in the account, the price could go all the way to the historical limits and never loss a cent. You don't make a profit or lose a trade until you close it. The draw-down is just an indicator of how much you would gain or lose if you closed at that particular time. The trick is just to never close a trade until it is in profit. (You can keep trades open indefinitely). If we start in the center and open a trade every time the price moves away from center by 100 pips (this is known as feathering a position), we would have 20 open trades by the time the price reached the historical limits. If we know that $200 would protect one trade to the historical limits then 20 X $200 or $4000 would cover all trades all the way to the historical limits.

Now that was some basic information to show that mathematical trading systems are safe and why, but now we need to look at how other mathematical concepts were used. Please read all the way through this next explanation because there are some misconceptions about the next topic that scares the willies out of traditional traders, mostly because it was being used wrong and no one to explain mathematical systems to emotionally based humans. The subject is recovery systems, the name of one the early such systems is called a Martingale.

If you flipped a fair coin there would be a 50/50 chance that you would be right. If it lands on heads you win, tails you lose. You can chance any amount. If you start with one dollar and win, you make a dollar. If you lose that toss, then the next time you would bet $2. If you win that one you would have compensated for the dollar loss and won one dollar. The next loss would require you to double the next bet again and so one until you win or go broke. If you win before you go broke, you will end up with just one dollar more than when you started the losing streak. This way of compensating for a loss is called a martingale system. The problem with using this martingale system is that after the 8th time or iteration, the size of the bet can get ridiculously high. A lot of traders lost a lot of money before they figured out that there was a problem with their system. The problem is that the original martingale system calls for a fair coin and there isn't anything fair about the price movement in the market place. The saying is 'the market can stay abnormal longer than you can stay solvent'. But we can use some of the basic concepts about recovering losses and adjust them to work within the forex market.

For example early on we tried a system that doubled the profit range to compensate for the losses but that didn't work too well either. It got to the point where I had just about given up on the idea when our almost forgotten associate came up with a way to combine the two.

Introducing the Passive Income Generator:

We needed to keep the size of the trade from growing so large while keeping the take profit size within reason. By combining the two systems plus not closing trades until they are in profit, he has now created a no lose system that will work on US brokers.

The fact that the trade range sizes are growing (more pips than before), the system slows down the trading until such time that the price has gone far enough toward center that the last couple of trades combine to offset the draw-down of the other trades plus make a small profit. The size of the profit can be set to anything that you like but a large profit setting will close fewer trades. We like to use around a half of one percent per trade group. All trades are left open until the combined amount of both loses and profits have reached our desired profit level, then all close out simultaneously.

The added benefit of doing it this way is that we are closing all the trades that are closer to the center so they will not be open to add to the draw-down, while our new trades are starting over at the base lot size. The computer takes care of all the calculations, opening and closing the trades. Your job is to make the original settings and make sure the computer is on and ready to work. Every time the price moves far enough toward the center to close the trades, you make a profit. You can take your profits out periodically, or you can leave them in to allow your account to grow. As the account gets larger, the base size will increase as well. The safety settings are how the program decides to increase the base lot size.

With a standard Martingale, by the time we hit the 8th iteration (an iteration would be like one flip of the coin), our trade size would be 128 times larger than the first one. With the new modified system the size never gets larger than 15 times the base with a total size of no more than 120 times the base size at the 14th iteration. However by the time that happens the price would have to be much further away from center than it has ever reached before.

Settings:

Iteration	Trade size	Range size	Accumulated Pips	totDD@10
1	1	12	12	100.60
2	2	17.3	29.3	197.82
3	3	24.9	54.2	1289.26
4	4	35.9	90.1	371.32
5	5	51.6	141.7	438.35
6	6	74.3	216	481.44
7	7	107	323	486.78
8	8	154	477	433.12
9	9	221.9	698.9	287.55
10	10	319.5	1018.4	0 = 3086.24 + margin 20 X 55 = 1100
11	11	460.1	1478.5	Total requirement = 4186.24
12	12	662.5	2141	55 * .1 = 5.5 additional DD per pip after
13	14	954	3095	opening range 10. A 5,000 starting balance
14	15	1373.7	4468.7	will protect another 145 Pips beyond the limit.

We believe that a Max Range setting of 10 is most optimum. At this max range, the price would have had to move 320 pips in the wrong direction without a reversal to reach this point. There will be a total of 55 times your first trade size of open lots. For a margin of 50:1 you will have to set aside 20 units of your first currency for each .01 lots. Notice that there are no dollar signs used in the chart above, this is because we want to emphasis that our discussion of requirements is not referring to US dollars that you may have used to open your account with, but in the first currency of the pair that the Passive Income Generator is setting on. For our preferred pair the Aud/Cad (Australian/Canadian) the amounts are given in Australian Dollars. To calculate the costs in some other currency, just go to the chart for the AUD/??? and find the proper equivalency.

To allow each investor to adjust their safety level there are 5 safety settings. As we saw above, we need 4,186.24 of the first unit of the trade currency pair.

A safety setting of 5 only protects up to 4000, so the investor is gambling that if we ever do hit range 10, it won't be in the beginning of an up grade to the lot size.

A setting of 4 means that the Passive Income Generator will begin trading .01 lots for every 5000 in the account. When the account grows to 10,000, the monthly profits will double as the trading size will double.

A setting of 3 will increase the base lot size for every $7500 in the account. This is over 60% more than required to cover the 1000+ pips to range 10.

A safety setting of 2 increases the base trading size for every 10,000 in the account.
And a setting of 1 is the safest setting - not increasing the trade size until a full 12,500 has been added to the account.
* Safety settings of 1 and 2 may be overkill, but not if it helps you to sleep better at night.

This explanation of how the system operates was only to show how rational everything is and why it can be called a no loss trading system. Remember that The PI Generator closes trades in groups, where every element of the group may not be in profit, the total groups profit will be.

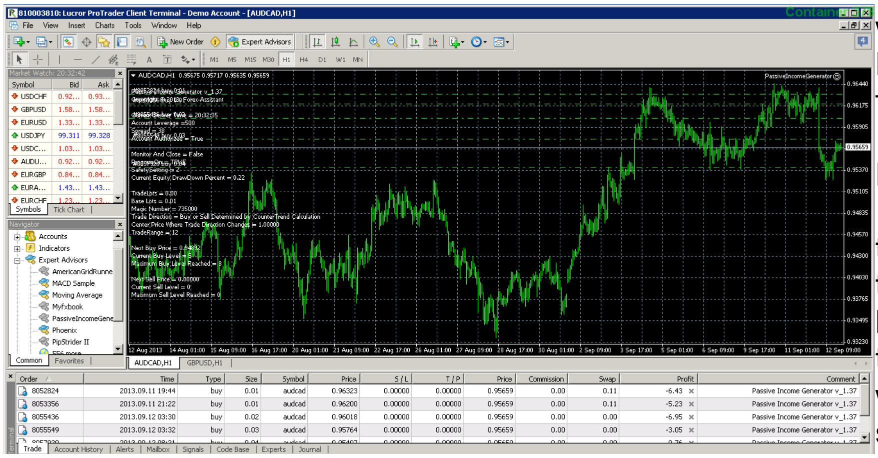
However, you don't really need to know anything from above other than the safety settings to get set up and begin making money. The program takes care of everything automatically, you don't even need to be there, but we have nothing to hide so we explain just what the program is doing. Now you can try it out for yourself and see how your new Passive Income Generator is quietly and consistently making you real money day after day.

All You Really Need to Know http://forex-assistant.com/

To get started:

You will need a broker account, similar to a savings account. Setting up a broker account is similar to opening any bank account, except that you can use the money in it only for investing. You have to take out money (profits) from the broker account to your regular bank account in order to spend it. Tutorials have been set up at our Forex-Assistant website to help answer all your questions. There is a tutorial page for brokers, and another on how to set up the brokers interface program. It's all easy, and we walk you through each step.

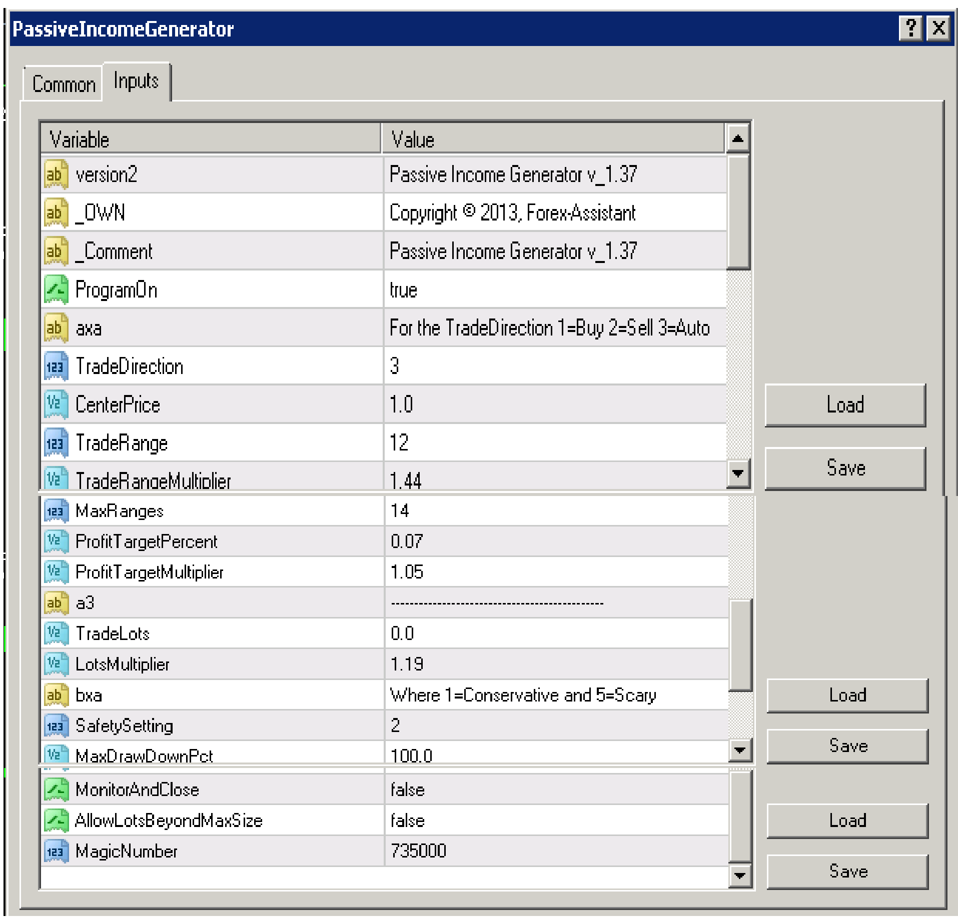
The example broker that is used is Lucror from New Zealand, the reason for this is that some of our programs are not permitted by the US government to be used by US investors with US brokers. The Passive Income Generator however is the exception – The PIG is perfect for US investors with a US broker. We have used IBFX and FXDD in the past and have found both brokers to be stable, honest and helpful. Note that for regulatory reasons we will not give links to those brokers, but a quick internet search will find them quick enough.



What you won't find on that website is the setup for the Passive Income Generator, that follows next in the manual.

Here you can see the Passive Income Generator averaging 5 trades. This temporarily puts the account in draw-down but because the size of the last trades are always the biggest, when the last two trades are in sufficient profit, all five trades will close at once for a total over all profit, in this way the generator is considered a no loss system. Even though every group will close for a total profit, not all aspects of the group have to be in profit.

The Settings Box:



To the left is a composite of the setting box. Note that the yellow tags are for informational content and are not a setting that needs to be adjusted.

The 'ProgramOn' setting allows the Passive Income Generator to begin work.

The 'TradeDirection' is designed to override the computers decision making and force the trade direction into 1 for buys only, 2 for sells only, and 3 to use the 'CenterPrice' to decide. The default setting is option 3.

'CenterPrice' If the Tradedirection is set to 3 then every trade taken above the center price will be for a 'sell', while every trade below the center price will be for a 'buy'. In the beginning the center price was actually calculated to be the center between the historical high and historical low. However, we found that because of the daily swap, it was better to shift the center so there are more buys than sells. If true half way is 50% of the distance from the lowest low to the highest high, we try for a shift to about 62%. For the AUD/CAD that is close to a price of 1.0000 Default for this setting is 1.0000.

'TradeRange' On most grids the trade range would be the size of each range measured in pips as all the ranges are usually the same size. The Passive Income Generator uses an expanding grid which means that the first opened trade is set for the TradeRange size but each one after that, until they all close, will be for a larger trade size and larger range size as well. All trades remain opened until the total profits of all open trades is greater than the 'ProfitPercentage', then they all close and the Passive Income Generator begins the next sequence. The TradeRange is defaulted to 12 pips.

The 'TradeRangeMultiplier' is defaulted to 1.44 which means that if the first trade has a range of 12 pips, the second trade will have a range of 1.44 times 12 pips or 17 pips. Range 3 will be 1.44 times bigger than the second range.

The maximum number of ranges allowed is the 'MaxRange' setting. The one shown in the table above is the maximum that the program will allow but is far too large for normal trading. The maximum should be around 10 ranges. To see the difference, consider a MaxRange of 10 requires a balance of 4,200 where a MaxRange of 14 will require a starting balance of over 28,000. The larger the MaxRange, the larger the required balance.

'ProfitTargetPercent' Because the P-I-Generator closes all open trades at once, most likely there will be a couple of trades in profit, so rather than try to calculate an actual closing price, the computer waits until the sum total of all the trades is positive by a set amount and then closes all at once. The default is set to .07 and this size is just under the expected profit without including the spread. As the number of trades grow so does the Profit Target. So the 'ProfitTargetPercentage' is only for the first range.

To determine the Profit Target for each subsequent trade we set the 'ProfitTargetMultiplier'. The default is 1.05%. The program multiplies the previous 'ProfitTargetPercent' by the 'ProfitTargetMultiplier' to establish the new target value.

'a3' is just a divider, it doesn't mean anything really.

'TradeLots' does have a meaning even when it is set to its default of 0.0. The 'TradeLots' is the actual size of the first trade since the last close. The smallest allowed by most brokers is .01 standard lots but IBFX offers a mini account where every trade is 1/10 of the standard size. You can read more about that by going to our Forex-Assistant research site, where there is also a great deal more about brokers in general that is really to your benefit to know. The default for the 'TradeLots' is 0.0 which tells the program to automatically set the lot size based on the 'SafetySetting'. Anything other than 0.0 will bypass the safety settings and make your first trade size whatever you put in the 'TradeLots' box.

The 'LotsMultiplier' calculates and establishes the actual trade size for the next iteration or range. As the range size is growing for each iteration, so is the trade size or lot size, however it is growing at a substantially slower pace than other compensatory programs. This is important because US brokers are limited to offering a 50:1 margin or less, and the lower the leverage or margin setting the more money you are required to leave in your account and not allowed to trade against it. With a leverage of 200:1 you have to leave $5 untouched for each .01 lots that you have open. Now notice the difference, at 50:1 you have to leave $20 untouched for each .01 lots that you have open. This margin requirement protects the brokers and banks, not so much the investor. Usually with systemic systems, the higher the leverage that you can get, the better it is for you and your account. The default setting for the 'LotsMultiplier' is 1.19

'SafetySetting' If you begin with .01 lots and the price is continually going away from center until it reaches level 10 without retreating enough to close out the open trades, you would need to have at least 4186.24 in your account to cover the draw-down and margin requirements. A safety setting of 5 is 186.24 short of that minimum, but allows you to get started with just 4,000 because the probabilities that this run would occur the moment that you begin trading is microscopically small. However, after you have made enough to up the safety level to 4 (a balance of 5,000) you should do so promptly. Please remember, 5 is for starting out only. A safety setting of 4 is the riskiest level over the minimum. A setting of 3 requires a balance of at least 7500, a setting of 2 requires a balance of 10,000 for each .01 lot trade size on the first trade opened. A safety setting of 1 will allow the initial trade size to increase by .01 lots for each 12,500 in the account. Remember that these settings are calculated for the first currency in the traded pair, if your account is funded in some other currency, you will need to check the conversion price and set the safety settings to include that conversion factor.

The 'MaxDrawDownPct' is defaulted to 100% which means that it will use all the money in the account to protect the open trades. If the 'MaxDrawDownPct' is set to some other amount, then if the account is in draw-down beyond the 'MaxDrawDownPct' setting, then all the trades will close. The trading sequence will then start at the beginning and open the next trade at its base size. There is no real good reason to even have this option available except that it is a stop loss which is supposed to make some government agency happy - this is not an intelligent way to limit trade size and I seriously recommend that you leave it set to 100% and forget that option is even available. The way we limit size is to set the MaxRange, not use some arbitrary percentage of the account balance. Oh well. Default is 100%.

'MonitorAndClose' is for any time that you wish to close out an account to move to another broker or to just close out the account. If changed to 'true' the PI Generator will monitor all the opened trades and close them on schedule but will then not open any new ones, at which time you will be able to close out your account. Default = Off

'AllowLotsBeyondMaxSize' is for large accounts over 1 million as an example. Brokers limit the maximum size of trades but if this setting is changed to true, the program will break the required trade size into equal parts and take two smaller trades instead of one large one. If you don't need it, don't use it because it slows down the process of placing the trades. Default = Off.

'MagicNumber' Most mathematically arranged systems only allow one trading program per account, however the Passive Income Generator will accommodate some other systems by identifying all of its trades with a specific numerical identity which is the magic number. The magic number not only identifies which program made the trade, but in some systems identifies the individual trade so the program can work on that one opened trade while ignoring the rest. The MagicNumber is just an identifier, please feel free to use any number that suits you to up to 7 digits.

Need More Help?

The Forex-Assistant research website has a lot of free training and information for you to use.

Thank you for trying the Passive Income Generator. If you find this program helpful for your family, maybe you would like to help others help themselves. Remember the Chinese proverb, "Give a man a fish and he will eat that day, but teach a man to fish and he will eat for a lifetime". Sometimes the benefits of a kind deed come in the form of money, sometimes it's a lot more meaningful than that. May the rest of your life know the meaning of blessed.

Revised: 17November2013

U.S. Government Required Disclaimer

Trading foreign exchange on margin carries a high level of risk, and may not be suitable for all investors. The high degree of leverage can work against you as well as for you. Before deciding to invest in foreign exchange you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with foreign exchange trading, and seek advice from an independent financial advisor if you have any doubts.

The purchase, sale or advice regarding a currency can only be performed by a licensed Broker/Dealer. Neither we nor any of our affiliates or associates involved in the production and maintenance of these products or this site, is a registered Broker/Dealer or Investment Advisor in any State or Federally-sanctioned jurisdiction. All purchasers of products referenced at this site are encouraged to consult with a licensed representative of their choice regarding any particular trade or trading strategy. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this website. The past performance of any trading system or methodology is not necessarily indicative of future results. Clearly understand this: Information contained in this product are not an invitation to trade any specific investments. Trading requires risking money in pursuit of future gain. That is your decision. Do not risk any money you cannot afford to lose. This document does not take into account your own individual financial and personal circumstances. It is intended for educational purposes only and NOT as individual investment advice. Do not act on this without advice from your investment professional, who will verify what is suitable for your particular needs & circumstances. Failure to seek detailed professional personally tailored advice prior to acting could lead to you acting contrary to your own best interests & could lead to losses of capital.

*cftc rule 4.41 – hypothetical or simulated performance results have certain limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not been executed, the results may have under-or-over compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profit or losses similar to those shown.

Additional important notice for US citizens:

U.S. Government regulations restrict U.S. Citizens from fully utilizing the services of foreign brokers. It is ill-advised for U.S. Citizens to violate the laws of their country. However, there are legal ways to regain your freedom to trade effectively. To find out how, read on …

The most obvious one is to set up an off shore trust or IBC (International Business Corp.) There are several benefits to establishing an IBC/ trust. One such benefit is the ease in passing the trust and its assets on to your heirs without probate. Another reason this is done all the time is to protect assets from frivolous law suits, it adds an extra layer of safety because if someone sued you for the asset in that trust or own by a corporation, he would have to do so in the country of residency for that trust/IBC. Additionally, an attorney may not be so quick to take a case against you if you personally have very little assets, because most of your assets are in an off shore trust or belong to a business. A trust can also have its own bank account, foreign trusts wouldn't come under the same limitations for its investing as it is not a U.S. Citizen and U.S. law would be inapplicable. Your retirement program is a natural part of a normal trust. In Belize owner information is protected by law.

Drawbacks are one, it cost around $1,700 to start one. The yearly fees are close to $800, but the first year is included in the setup cost. There is another option, at this time we can't recommend it. There are still a number of unregulated brokers that will take your money, sometimes literally. We are told that since the broker is from some other area, they are not bound by U.S. law. We are told that the U.S. law is worded to limit brokers and there is no law prohibiting U.S. citizens from opening an off shore broker account, (if they can find a broker willing to take them). But are these unregulated brokers are breaking U.S. law by accepting U.S. clients? Could this jeopardize your account? Now it may not come to that, but traders are risk managers and I don't see the rewards out weighing the risks here when there are alternatives. It may seem hard being singled out and treated like the property of the government but these are hard times and yet, you do have friends.

Our concern here is not as much for what is true at the present, but what may become true in the near future. If you are a US citizen you may consider checking out the Passive Investment Generator which works well with US brokers however, the NFA has forced changes to the trading rules twice in so many years, there is no reason to believe that they won't do it again. This should not be taken as legal advice, only as a suggestion from friends.