



Checklist For Avoiding Investment Fraud /

Scams

The following represents the subjective opinions of the author and may not be appropriate for all situations, circumstances or investors.

- Is the investment manager a member in good standing of the National Futures Association (NFA)?
- Is the investment transparent? Can the investor receive a daily statement of account positions from a neutral third party source?
- Does the investment enjoy the protection of “cross party counter surveillance,” where a number of separate third party eyes watch the investment capital including the Futures Commission Merchant (FCM), Introducing Broker (IB), Investment Manager (CTA), NFA and the investor?
- Has the investment manager undergone a rigorous full NFA audit of their business and trading operations? What was the last date of this audit?
- Is the investment manager willing to share with you their third party NFA “no comment” letter?
- Does the investment manager have a history of starting up and then closing different CTA investments?
- Have you been provided an NFA reviewed disclosure document that contains background and investment history of all investments managed by this investment manager?
- Is the investment capital being held in the name of the investment manager, or in a CFTC mandated segregated account in the name of the investor?
- Is the investment manager required by CFTC / NFA rules to disclose all material issues related to the investment, including potential conflicts of interest and any/all criminal background?
- Does the investment manager share in fees / commissions or other revenue traditionally associated with the FCM and IB? How is money exchanged between the CTA and the FCM and/or IB? Have you received disclosure regarding how all those associated with the investment will receive compensation?
- Is the FCM holding the investment one of the major FCMs with a sophisticated compliance department where the investment manager is but a small percentage of the FCM’s overall revenue?
- Have you conducted a detailed background check of the investment manager, FCM, IB or individual portfolio manager?

If you are an unsure of the answers, a High-Performance Managed Futures book researcher will conduct this research and provide analysis along with opinion. The cost for non-registered book readers is \$285 per report, the cost for registered book readers is \$85 per report.