

January 23, 2009 - "I want to invest in an off-shore currency trading fund - is this a good choice of investment?"

Answer: This potential investor related to me that the only knowledge he had about this fund is via an internet website and that he has no information about the particular fund or the advisor. The information on the website from the currency trader advisor is that his profits year to date are 50% and that in 2008, his profits were 200%. It is also important to note that this trading fund is not regulated by the SEC.

In the first place, whenever yields are excitingly high, step back and ask the question 'What do I know about this fund manager/advisor and the style of trading being executed?' Short term profits from currency trading can be high; longer term making these kinds of profits is improbable. In fact, the kinds of profit touted by the trader suggest - without reservation - that they are very high risk and could easily become negative at any point in time. It is also important to note this is a currency trading fund that is outside of the U. S. and is essentially unregulated. There is no way to easily verify or validate the claims of the fund manager; there is no direct relationship between the fund manager and the investor. And in the case of this particular fund, the investor has been told he would need to wire money to an off-shore bank account - another extremely high risk.

My recommendation is there is absolutely no reason to even give this investment opportunity a second thought - forget it!