



## Risk Management Policy

# Objective

To establish a consistent professional framework for FX strategy development, capital protection techniques, and performance discipline, even within simulated environments.

## Portfolio Construction

- Max 1–3 open positions in core G10 pairs
- Exposure aligns with interest rate differential direction
- Focus on liquid pairs with narrow spreads

## Position Sizing

- Risk per position target: 0.25% – 0.75% (simulated capital)
- Never exceed 2% portfolio VaR from a single country exposure

Position size derived from:

- Volatility
- Rate differential strength
- Technical trend strength

## Leverage Control

All positions must contain:

- Hard stop-loss
- Defined take-profit
- Time-based exit if thesis invalidated by rate changes or central bank actions

Focus: Capital preservation > catching every move

## Leverage Control

### I. Mandatory

- Central bank rate decisions
- CPI / labor data
- Surprise index shifts
- Geopolitical disclosures

### II. Trades paused during

- Central bank rate decisions
- CPI / labor data
- Surprise index shifts
- Geopolitical disclosures

## **Monitoring & Reporting**

### **I. Monthly reporting**

- Position rationale
- PnL (simulated)
- Risk vs reward review
- Journal notes for continuous improvement

### **I. Quarterly**

- Strategy enhancements reviewed
- Drawdown analysis

## **Continuous Compliance**

Should external capital or regulated activity ever begin:

- Immediate regulatory onboarding
- MiFID II & AIFMD compliance readiness

## **Vision Statement**

Professional discipline applied from Day 1 — regardless of capital scale.

# Contact

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