

EXCEEDING YOUR FINANCIAL EXPECTATIONS SINCE 2006.

THE PART OF MFX GROUP HOLDING

# ANNUAL REPORT

Annual Report for the year ended  
June 1, 2016



**MFX Capital**  
The art of money management

# 5 REASONS TO INVEST WITH US

MFX Capital represents the investment program of the Global Financial Holding MFX Group. The program is focused on investment in developed businesses, real estate and microfinancing.

1

## HIGH RETURN ON YOUR INVESTMENT

While the most of the financial organizations are lowering their annual interest rates, MFX Capital has gained over 148% pure profit in 2015, and keeps growing numbers by investing in perspective markets.

2

## INVESTMENT HOLDING WITH BANKING STRUCTURE

The program holds 10% reserve fund, and keeps its liquidity on the minimum of 39%. This is several times higher rate than regulators ask for the common financial institutions. MFX Capital is licensed and regulated

3

## OVER 10 YEARS ON THE MARKET

MFX Group - the holding managing MFX Capital is presented on the global financial market by its companies for over 10 years. Established in 2006, it has grown from one company to entire financial structure.

4

## 7 000 INVESTORS AND OVER \$18M ATTRACTED

For the first two years of its existence, MFX Capital has attracted over 18 million USD from individual and corporate investors around the world, and has paid out profits for every cent invested.

5

## PRESENTED IN 30 COUNTRIES AROUND THE WORLD

The program is reachable in every country except USA, and the offices and representatives of the MFX Group Holding are situated in most European and Asian countries.

EXCEEDING YOUR FINANCIAL EXPECTATIONS

# REVIEW OF 2014-2015

MFX Capital has been investing 85% of its assets into the companies of MFX Group Holding - including MFX Broker, MFX Real Estate, MFX Business and microloans to individuals.

**Each of our businesses has a solid year of FY 2014/2015.**

Foreign Exchange Brokerage made progress in transforming its business model. Retail client assets, one of our key performance indicators, grew to \$110m, beating our target of \$95m.

Asset Management department has transformed its operations by changing the strategy from mid-sized investment in real estate into large scale investment with the possibility to sell the property partially. The profit from such operations has grown by annual 18%.

MFX Business has purchased, developed and further sold partly, over 74 companies with the total profit of \$14,6m, through its mergers & acquisitions department in the years 2014-2015.

MFX Microloan department has issued over \$5m credits, with 83% short-term, and 17% long-term return perspective. The average profit including risk factor equals to annual 128%.

**Further Development 2016-2017**

In 2016, MFX Capital will be established as independent investment group with various business direction, taking the part of MFX Group's activities under its own management. Such activities will include Asset Management department and MFX Business.

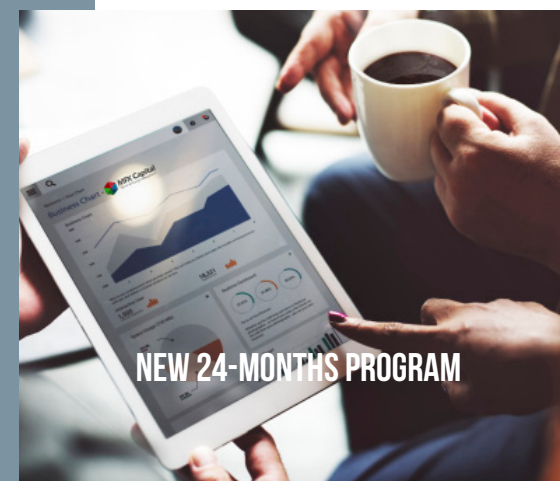
To meet the needs of our investors, we are stepping out our consulting services tailored to the specific requirements and financial education of each client. From April 2016, MFX Capital started offering investment consultant services for the new, existing and potential clients.

By going digital MFX Capital cuts the operational expenses, therefore providing investors with larger investment reserve fund and favorable conditions.

The new product offered by the program, besides existing 6 and 12 months investment, MFX Capital presents 24-months program with overall profit of 92% for the entire investment period.



**FROM SEPTEMBER 2016, MFX CAPITAL OFFERS INVESTMENT CONSULTANT SERVICES**



**NEW 24-MONTHS PROGRAM**



# CHAIRMAN'S STATEMENT



**Igor Volkov**

Over 15 years of experience on financial markets. Established his first company "Master Forex" in 2006. Two years later the company was rebranded into "MFX Broker", and became a part of the financial holding MFX Group, along with three other companies - MFX Academy, MFX Affiliate and MFX Business.

Rapid and continuous developments at MFX Group are changing the way we live and work. Together with our customers and partners, we are committed to building a world with higher income, innovative investment services and a positive look into the future.

Today, not only MFX Group does provide a leading platform for traders, but it is also a powerful driver for investment innovation and money management scheme.

We implemented an extensive organizational transformation in 2015. The group of companies at MFX Holding are already functioning as independent entities, bringing higher profits for each invested dollar than ever before.

The Retail Division took initiatives to reform its business model to respond to changing customer needs more accurately. Under this reforms, MFX Group has established the objectives of winning greater trust among clients, and expanding its business activities.

In 2016 we launch the rebranding of MFX Broker, MFX Options and MFX Capital. We target to make our services accessible to wider group of individuals and improve our presence in Europe and Asia.

At the time we introduced MFX Capital investment program, we were driven by the idea of providing safe investments to individuals with profits exceeding the interest rate that any local bank or microfinance organization could offer. In less than two years, MFX Capital has become an additional source of income that equals to the monthly salary.

In 2016 our target is to reach more investors around the world and educate them on money management possibilities through MFX Capital, in order them to achieve the financial freedom.

*I. Volkov*

President of MFX Group

**TODAY, NOT ONLY DOES MFX GROUP PROVIDE A LEADING PLATFORM FOR TRADERS, BUT IT IS ALSO A POWERFUL FOR INVESTMENT INNOVATION AND MONEY MANAGEMENT SCHEME.**



NEW 92%



**Margo Zhiznevskaya**  
Economics and International Relations specialist with 10 year background in investment and finance. Worked for Luxembourg, Paris and London brokerage companies.  
Global Operations Manager at MFX Capital.

Dear Investors,

I am pleased to report a 143% increase in profit after tax for the date of June 1, 2016, which made it the fastest growth of the holding for the past 10 years. This strong performance was driven by a 47% increase in customers, and operational cost savings compared to the last year and a strong diversification in the condition of the challenging macro environment. We realised significant growth in assets under management, that gave us the opportunity to go for the next stage of investment - two-year investment program with the total of 92% profit given out to our investors.

In 2013-2014, as the part of promotion program at the first year of its existence, MFX Capital gave out Annual 60% to show the possibilities of MFX Group Holding. The rapid changes of currency rates compared to USD did not influence our ability to fulfill all our obligations given to investors. Moreover, all those who have invested till November 1, 2015 will keep the same annual 60% condition till the end of the investment period - no further than November 1, 2016.

The standard conditions of MFX Capital Investment - 6 and 12-months investment with 12% and 36% interest rate accordingly still remain the most popular and competitive

In 2016 MFX Capital is transforming from the Investment Program into the Independent Investment Company, taking MFX Group Asset and MFX Business under its own management.

The long-term strategic plan gives us possibility to meet the expectations of the wide group of our investors, and offer 24-months investment program, with the 92% interest rate. This will be the first step towards the Investment Fund with diversified investment scheme we are planning to launch in the next few years.

Assets under management in MFX Capital core investment management business, which represents over 23% of our revenues, rose from \$ 7m in 2014 to nearly \$19m in 2015. At a time when active investment management faced fundamental challenges at an industry level, MFX Capital unique business mix served to effectively ensure profit resilience and asset growth.

2015 was also memorable by certain bank regulations that appeared to be unexpected to many investment firms. The bank transfer delays from and to investors were explained by the increased inspection and additional document requirements, as well as limitation to currency conversion.

This lead us to division of the investors by region, and opening of several bank accounts that took some time and effort. Bottomline, the whole CIS, EU and Asia region are now covered, and the transactions are realized with no delays.

I AM PLEASED TO REPORT A  
148% INCREASE IN PROFIT  
AFTER TAX TO \$44 MILLION,  
COMPARED TO THE LAST YEAR



REGULATION AND RESERVE FUND

MFX Capital Reserve Fund still remains at the index of 10% from the total investment amount. The liquid capital marks at 39% due to microfinance organization under our management.

Significant changes appeared in regulation, where the EU and CIS banks started asking investors to provide the signed contract with MFX Group in order to transfer the amounts. In order to automate this process within our company, we have added the function of contract signing in the investors' personal cabinet, with further instructions. Investors have up to 30 days to sign and upload the contract into their personal cabinets in order to realize the transaction.

Our goals in the long-term perspective include providing the financial and personal money management education to our existing and potential investors. Since MFX Capital is the program where even mid-sized investment gives you a possibility to receive additional income

equal to the monthly salary, we have created the new department, where the professional Investment Experts will handle all the registration procedures plus educate and coach existing and potential clients on personal money management techniques.

Driven by our core values of customer-centricity and dedication, we have improved our corporate governance system to maintain long-term effective growth.

In 2016, we gradually adjust our business structure to focus on three dimensions - investors, risk management and regions.

Finally, I would like to thank all MFX Capital employees, our investors and partners, as well as industry participants around the world.

Let's work together to build a Better Financial World.

MARGO ZHIZNEVSKAYA

MFX Capital Global Operations Manager



# OUR STRATEGY MILESTONES AND IMPLEMENTATION

MFX Capital is an investment program of the financial holding MFX Group, focused exclusively on asset management for institutional and private investors.

We seek to achieve growth in earnings and shareholder value by strengthening our position as a provider of global investment management solutions. Our business activities generally do not consume high amounts of capital, but generate strong levels of cash.

Our focus on asset management allows us to take advantage of development opportunities in changing environment - by employing or partnering with talented investment professionals and expanding our Introducing Broker partnerships in target markets, when such opportunities arise.

The general goal of MFX Capital is to build as a global financial services group by allocating resources efficiently. To achieve this objective, we have implemented the following strategies:

General information regarding investment program MFX Capital can be found at [www.mfxcapital.com](http://www.mfxcapital.com)



## MAINTAIN FINANCIAL STRENGTH

We adopt business models that generate positive cash flows. Predictable cash flows serve as a source of funds for continuing operations.

1

### STRENGTHENING ASIA AND EUROPE MARKETS

Add investment products and capabilities and expand client coverage in Asia and Europe. Widen the chain of Introducing Brokers in 11 countries and provide the comprehensive support to the existing investors.

2

### STRONG DISTANT SUPPORT FROM INVESTMENT EXPERTS

Investment Expert Department will help investors identify their goals and offer comprehensive wealth advisory services including financial planning, investments and other financial services.

3

### DEVELOP SCALE AND GROW INVESTMENT CAPABILITIES

Targeting 3 sectors: Financial Services, Real Estate and Education. Invest 37% of assets in funds outperforming their benchmark over three years (excluding segregated accounts and mandates).

4

### HELP INVESTORS MANAGE THEIR OPERATING CAPITAL

We will deliver customized investment management solutions, as part of a complete solution offering, that enable investors to make better decisions and to manage their assets more effectively.

5

### INVEST IN PRODUCT DEVELOPMENT

MFX CAPITAL will finance new product development within and outside of MFX Group Holding. We believe ongoing investments in research and development give us a sustainable, competitive advantage on markets.



MFX CAPITAL PROGRAMS

92% FOR 24-MONTHS PROGRAM

MINIMAL DEPOSIT	10 000 \$
MONTHLY INTEREST RATE	3% - 6%
TOTAL INTEREST RATE	92%
MONTHLY WITHDRAWAL	YES
AVAILABLE FOR INDIVIDUAL AND CORPORATE CLIENTS	YES
PRIORITY IN WITHDRAWAL PROCEDURE	YES

Calculation of 24-months program interest rate:

1st month - 6%, 2nd month - 5%, 3rd month - 5%, 4th month - 4%, 5th month - 4%,  
6th-24th month - 3%

36% FOR 12-MONTHS PROGRAM

MINIMAL DEPOSIT	1000 \$
MONTHLY INTEREST RATE	3%
TOTAL INTEREST RATE	36%
MONTHLY WITHDRAWAL	YES
AVAILABLE FOR INDIVIDUAL AND CORPORATE CLIENTS	YES
PRIORITY IN WITHDRAWAL PROCEDURE	UPON REQUEST

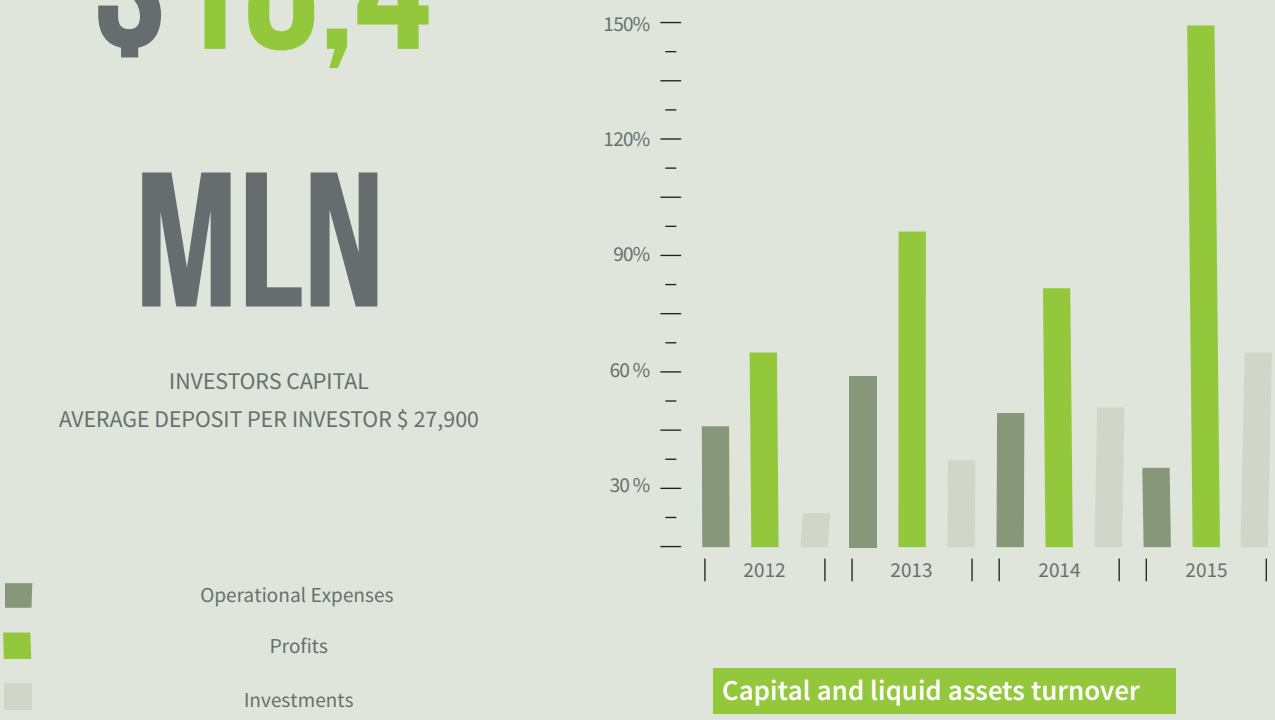


Learn more on:  
[www.mfxcapital.com](http://www.mfxcapital.com)

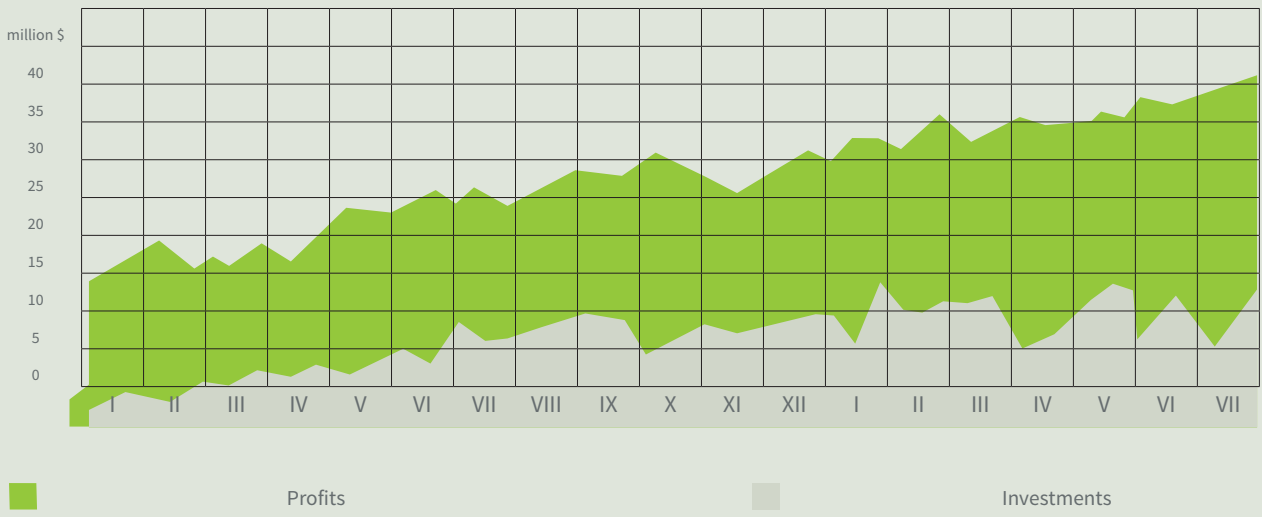
\$18,4  
MLN

INVESTORS CAPITAL  
AVERAGE DEPOSIT PER INVESTOR \$ 27,900

Dynamics of the 4-year development



The dynamic of profit /investments in 2015







ACTIVITY FROM LEGAL AND FINANCIAL POINT OF VIEW

The financial markets MFX Group operates in, are currently undergoing certain changes, which are being implemented by the authorities using different approaches from country to country.

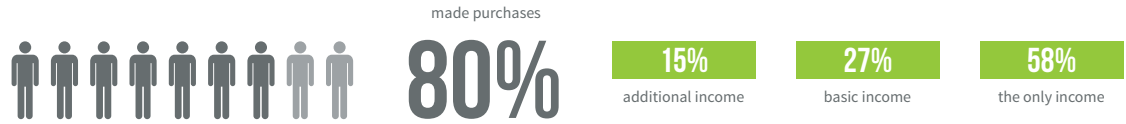
**MFX GROUP mainly operates in regulated markets** and its transparent business model is capable of adopting any change required by the authorities of the country where the group is presented. The business risks are evaluated and controlled, and the appropriate activities to eliminate those risks are being taken by MFX Group's Risk Department.

Liquidity risk is managed by MFX Capital, which ensures adequate coverage of cash needs and appropriate management of any excess liquidity.

MFX Group measures financial instruments such as available for sale financial assets and non-financial assets such as investment properties, at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction at the measurement date.

That is the reason why so many investors all over the world chose MFX Capital as the place to save and grow their money, out of which:

15% receive the interest rate as additional income  
27% have the interest rate higher than their basic income;  
58% receive the income only from MFX Capital and 80% of our investors have reached their financial goals in the first year of cooperation.



PERSONAL BUSINESS WITH MFX GROUP

Would you like to set up the ready-made business in financial sphere on your local market? MFX Group gives you a unique opportunity to save your time, money and efforts and start with receiving profits from the first months of operations!

In 2016, MFX Group is launching the Franchising program, offering its partners a possibility to become local shareholders of MFX Group in their country!

The options is opened for individuals and corporations. Any person can register with or without the start-up capital.

Individual partners without start-up capital can register as Junior Brokers, and start building their client and partnership base, while those who are willing to participate in the promotion of MFX Group

brand on the local market and are willing to work on the terms of equal financial expenses can enjoy the exclusive offers from MFX Group, including full-packaged White Label program, personal office, marketing budget, training for staff, support at events and full-time contact with the head office.



FILL IN THE SPECIAL FORM

Those willing to apply for the partnership should register on the website [www.mfxpartners.com](http://www.mfxpartners.com) , after which they will be contacted by the company representative for the further instructions.

[www.mfxpartners.com](http://www.mfxpartners.com)





# TO OUR SHAREHOLDERS

In 2015 we delivered 148% increase in profits, from \$17m in FY2014 to \$44 m this year.

Starting in 2006 with few employees - MFX has grown into the global financial holding with 500 people working in the operational offices and over 600 000 clients in 30 countries around the world, who have chosen MFX Group companies to grow their income.

MFX Capital was introduced to the retail market in the year 2014, after two years of presenting B2B products to the large investors with the minimum capital of \$500,000. In 2014, we have launched the program starting from \$500 and the minimum term of 3 months for the individual investors around the world.

In a few months from its establishment, MFX Capital received an award as the "Best Innovative Solutions in the Investment Sphere 2014" - which was repeated in 2015. Besides, the program has attracted over 600 clients with the average deposit of \$10 000 in the first quarter of its retail product existence, and the numbers have been growing since then.

We are pleased to present MFX Capital's Annual Financial Report. In 2015 we delivered 148% increase in profits, from \$17m in FY2014 to \$44m this year. Most of this growth came from lower operating costs and additional sources attracted from our new investors.

In numbers, we can describe it as \$18,4m attracted from investors worldwide, \$7m paid out as the interest rate, and the full amount returned by the end of the investment term. Starting from November 1, 2015 - after a year of the "Annual 60%" promotion program, and after we have proved the high interest rate MFX Group Holdingi is capable of giving out to investors risk-free, MFX Capital has issued the standard terms and conditions for investment.

With the principle **"Exceeding Your Financial Expectations"**, MFX Group Holding and MFX Capital Investment Program will continue to respond to changes in the financial world and take up the challenge of reforming itself.



## NEW INVESTMENT PROGRAMS FOR 6, 12 AND 24 MONTHS.

YEAR	2015	2014	2013	2012	2011
Sales Revenue	\$ 98,055,232.00	\$ 39,538,400.00	\$ 40,825,805.00	\$ 29,273,407.00	\$ 30,595,734.00
EBIT	\$ 78,444,185.00	\$ 31,630,720.00	\$ 31,846,512.00	\$ 23,251,349.00	\$ 25,059,615.00
Profit before taxes	\$ 59,507,116.40	\$ 23,994,805.00	\$ 30,650,846.00	\$ 22,979,029.00	\$ 25,001,280.00
Profit from continuing operations	\$ 40,749,771.50	\$ 17,973,550.00	\$ 20,192,438.00	\$ 14,814,057.00	\$ 14,817,587.00
Profit from discontinued operations	\$ 18,757,344.90	\$ 6,021,255.00	\$ 6,877,097.00	\$ 4,949,590.00	\$ 6,483,086.00
Net Profit	\$ 44,319,916.30	\$ 17,870,934.2	\$ 24,526,975.00	\$ 18,588,018.00	\$ 20,411,920.00
Attributable to					
Owners of the parent & investors	\$ 16,890,000.00	\$ 11,392,000.00	\$ 19,634,974.00	\$ 13,597,653.00	\$ 17,508,368.00
Reinvested interest	\$ 4,863,788.75	\$ 6,478,934.25	\$ 4,892,001.00	\$ 4,990,365.00	\$ 2,903,552.00

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Audited Financial Data for June 1, 2016
Assets	
Intangible assets	\$ 2,465,554.00
Property plant and equipment	\$ 6,826,498.00
Investments and other financial assets	\$ 14,584,295.00
Defined benefit plan assets	\$ 1,574,397.00
Total Non-current assets	
Inventories	\$ 3,690,000.00
Trade Receivables	\$ 1,880,448.00
Receivables from financing activities	\$ 2,584,375.00
Current tax receivables	\$ 584,920.00
Current financial assets:	
Current investments	\$ 10,743,246.00
Current securities	\$ 700,000.00
Other financial assets	\$ 362,574.00
Cash and cash equivalents	\$ 21,753,788.80
Reserve fund	\$ 5,100,000.00
Total Current Assets	\$ 72,850,095.80
Assets held for sale	\$ 5,374,550.00
Equity / Liabilities	
Equity attributable to Master Services INC	\$ 18,900,739.00
Non-controlling interest	\$ 5,907,000.00
Provisions:	
Introducing Brokers / Employees	\$ 1,678,900.00
Other provisions	-
Deferred tax liabilities	\$ 475,000.00
Assets under management	\$ 18,867,010.00
Other financial liabilities	-
Current tax payables	\$ 1,788,060.00
Trade payables	\$ 134,447.00
Liabilities held for sale	-
Assets Minus Liabilities	\$ 25,098,939.80



Contact us 24/7

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