

# The I-Master Index Futures Trading System

Trade Center, Inc.

## What is I-Master

**I-Master** is an index futures trading system. **I-Master** was developed on a basket of seven US futures indices: the S&P500, NASDAQ, New York Stock Exchange (NYSE), Russell 1000, Russell 2000, Mini-Value Line, and the S&P Midcap. The exact same rules and parameter values are used across all these indices. The system employs an elegant entry technique that attempts to capture short-term market turning points in the indices. The system employs a pure reversal strategy, one that is always in the market reversing from long to short, and back to long.

## Who developed I-Master

The **I-Master** trading system was co-produced by Murray Ruggerio and Keith Fitschen of Trade System, Inc.

**Murray Ruggerio** developed I-Master as well as other market timing systems using advanced technologies. Previously, he was a vice president of Promised Land Technologies, Inc. and was the inventor of a patented method for embedding a neural network into a spreadsheet. He has been researching advanced technologies since 1988 and was featured in *Business Week* as one of the leading experts using neural networks in finance and investing. Mr. Ruggerio has been a contributing editor to *Futures Magazine* since June 1994 and has a monthly column, Trading and Technology."

Expertise, your best investment.

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Futures trading involves substantial risk and is not appropriate for all investors

**Keith Fitschen** is the owner of the trading system development firm, Trade System, Inc. Mr. Fitschen worked in concert with Mr. Ruggiero to make the I-Master trading system available to traders like yourself. His role was to take the raw trading system and meld it to the easy to use platforms and manuals he uses for other Trade System products. The result is a very sophisticated system made available to the public.

Mr. Fitschen has been investigating commodity trading systems for the last 20 years. It started when he was in the Air Force splitting time between flying and engineering assignments. Since retiring from the Air Force, he has intensified his efforts. Mr. Fitschen has looked at many ways to trade commodities -- moving averages, stochastics, oscillators, momentum, cycles, neural nets, wavelets, patterns -- and has developed a lot of effective systems based on his research.

## ***What markets can be traded with I-Master***

While the system was developed across seven indices to create a large sample size of trades, only three are considered tradable: S&P 500, NASDAQ, and Russell 2000. All three of these are available in mini versions, with contract size, point size, and margins that are a fraction of the standard, or "big" contracts.

## ***What makes I-Master different from other index trading systems***

- It was developed using seven indices to yield a larger data sample size, thus attempting to minimize curve-fitting. (Curve fitting refers to using computerized data to "fit" into a desired result. Generally experienced with small amounts of data which can generate false results).
- Performance and testing was done using \$300 for slippage and commissions. Since the system enters and exits the market on stop orders, this can have a large impact on the performance of a system. Many systems are developed and performance figures given using \$100 or less for commissions and slippage. To illustrate how important the difference between the \$300 and \$100 most system developers use in their figures, the following example will be helpful: If an index system trades once per day or twenty times per month  $20 \times \$200 = \$4000$  or \$48,000 per year! This realistic slippage and commission which is built into the performance record is substantial and overcome by **I-Master** in hypothetical testing.
- Long and short trade performance is balanced. Most index systems are highly biased to the long side due to the sustained up-trend of the S&P in the 1980's and 90's. I-Master seeks to be equally successful during both up and down trends in the stock market.
- Flexibility—Investors will have the option of trading the I-Master system with mini contracts instead of the full sized ones. Mini contracts are one fifth the size of a standard contract, thus allowing for more options when it comes to diversifying a modern investment portfolio.



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## ***Does I-Master fit into your portfolio?***

First and foremost, each investor must determine if futures trading is appropriate for them in light of their financial condition. Futures trading involves a substantial amount of risk. For those investors who are suited for futures trading, the I-Master system may offer many advantages. One key is that trading a system such as I-Master offers an investment tool which may be non-correlated to other traditional investments. While not a guarantee, it is likely that your stock portfolio is highly correlated, whereas individual stocks tend to rise and fall together. As I-Master trades both from the long and short side, it strives to be non-correlated to the movements of the stock market.

Flexibility is also an important consideration. The I-Master trading system offers a host of ways to be implemented in a portfolio for the savvy investor. Depending on your personal investing goals, various strategies can be implemented. From minimums as low as \$30,000 and incorporating the use of mini contracts to \$1,000,000 employing more advanced money management and risk strategies, a Trade Center, Inc. licensed futures broker can help you understand the risk and rewards of the various portfolios.

I-Master can also be used in concert with other trading systems. For those employing trend following trading systems such as Keith Fitschen's Aberration Futures Trading System, I-Master may be a good compliment to the longer term strategies used by Aberration. The key to any investment portfolio is diversification, and the blend of the shorter term, index trading system such as I-Master with a longer term, trend following system may be the solution you are looking for.

### ***System Performance***

For updates every quarter, you are invited to get a free copy *SystemTrac*, a comprehensive report on I-Master, as well as other publicly available futures trading systems. On a hypothetical basis, you will be able to view the performance, draw down, and related statistics, side by side.

You can:       Download a **free** *SystemTrac* at [www.tradecenterinc.com/systrac.htm](http://www.tradecenterinc.com/systrac.htm)

                  Call Trade Center, Inc. direct for a **free report** at 800.894.8194 or 949.643.7100

                  Call Keith Fitschen direct at 800.372.3942

We're on the web!  
[www.tradecenterinc.com](http://www.tradecenterinc.com)



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## ***How much does it cost to buy I-Master***

The trading system can be purchased for \$2,995. Clients who already own one of Mr. Fitschen's other trading systems such as Aberration or Aztec will enjoy a reduced price of only \$2495. Convenient payment plans can also be worked out.

## ***What do you get when you buy I-Master***

With each I-Master purchase, you will receive the following:

- A manual which details the rules of the system, and discusses the rationale behind each system component.
- A standalone, Windows based program which allows you to not only generate the trade signals, but do historical back-testing as well.
- Integrated portfolio back-testing with a suite of Mr. Fitschen's trading systems. You will be able to test portfolio concepts and ideas using I-Master, Aztec, and Aberration.
- Open TradeStation code that will work on both the TS 4.0 and TS2000i platforms.
- Full technical support.

## ***How can Trade Center, Inc. help***

**Guidance** The staff at Trade Center, Inc. is experienced, qualified, and trained to provide you with the services necessary to navigate through the trading system waters. First, we determine what your objectives are. We work with you to determine what risk levels you are comfortable with, and what are your objectives.

**Service** Once your plan has been established and the system purchased from the developer, simply open and fund your account with Trade Center, Inc. Your broker will execute the trading system exactly according to the specifications, just as if you were doing it from your computer. You can monitor the progress of both the system and your account on a live basis via the Internet. Thus, you have a team of professionals working for you, executing your investment plans, 24 hours a day.

***WE LISTEN*** As ours is a service business, we work for you. We supply you with as much professional information and research as possible. Our job is to listen to your experiences, goals, ideas, and plans; then assist you in achieving what you set out to do. We do not "sell systems," or direct clients to systems the house has created. We seek to have no conflicts of interest. ***Our interest is our clients.***



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