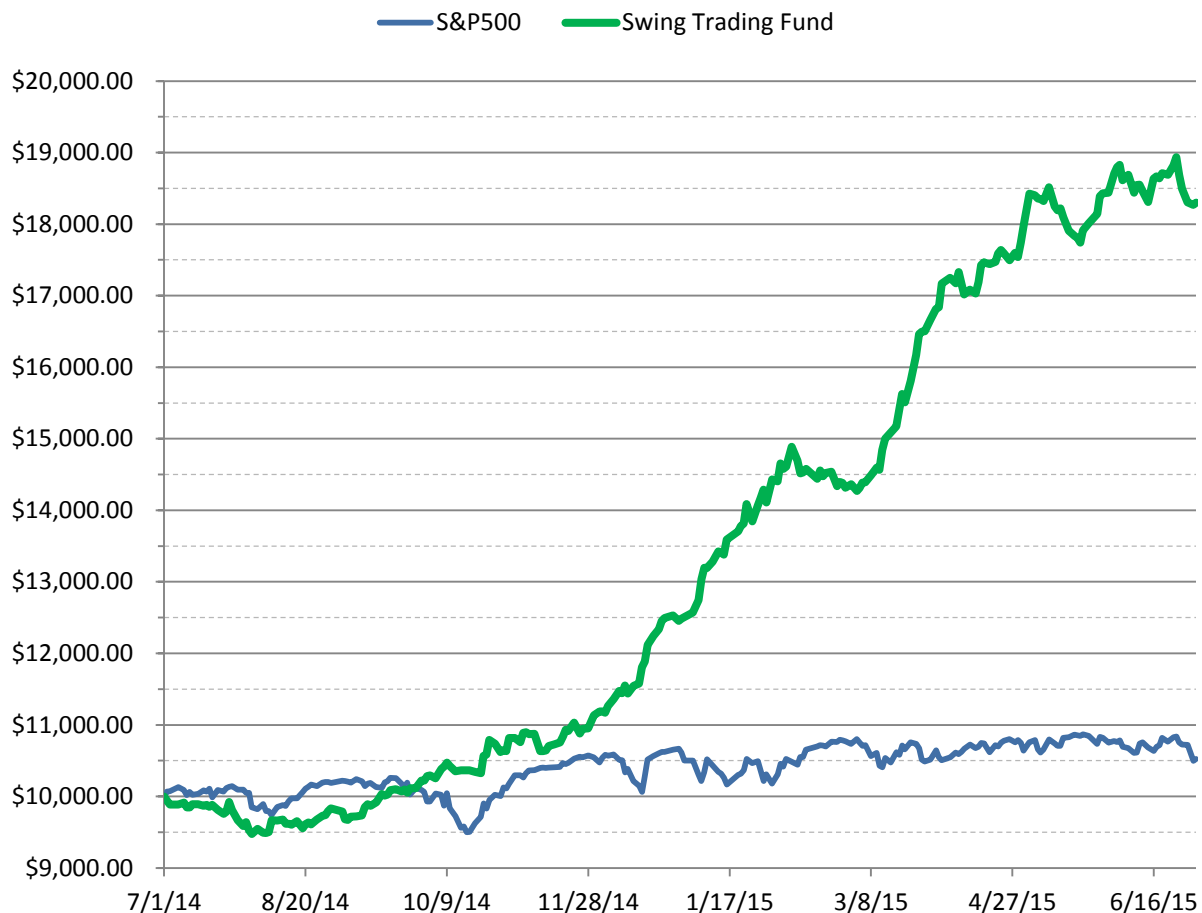Market: Swing Trading

Time Period: July 1st, 2014 – June 30th, 2015

Stocks (60%), Interest Rates (30%), Currencies 10xG10 (10%)

Swing Trading Model

Following the development of Dr. Lipa Roitmans understanding of relying on the 5 day simple moving average as a secondary trigger for entry and exit, the I Know First R&D team has developed a complementary model to support his thesis. The results were positive, and combining the 5 day SMA trigger allows us to design day trading strategies which maximize profits and minimize risks. The following portfolio invests in the best stocks, interest rate ETF's, and currency pairs as identified by the algorithm. The positions are adjusted daily before the market opens and held for the next 24 hours. Good opportunities are continuously replaced by even better opportunities to ensure the portfolio is always running at full throttle. Both long and short positions are used to maximize returns, regardless of market direction and trend. The equity is decided 60% in stocks, 30% in interest rates, and 10% in G10 currencies leveraged to 10x. No asset will hold more than 25% of the equity within its respective class. **The overall return in the one year period from July 1st, 2014 to June 30th, 2015 yielded and overall return of 83% while the S&P500 rose by 5.2% during the same period.**

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Here one can inspect the individual performance of each of the funds elements. Currency information is divided between leveraged and un-leveraged performance. Moreover, the complete fund performance is also divided between when the 10% share in currency is leveraged or not.

	Final Product	60%	30%		10%
	IKF	IKF_G10_leveraged	Stocks	InterestRates	Currencies_G10	CurrG10_leveraged
Whole time period returns						
Total Return (TR)	34.59%	82.99%	34.18%	40.11%	20.48%	504.54%
linearly annual. TR	34.59%	82.99%	34.18%	40.11%	20.48%	504.54%
discr. comp. (estim. trading days) annual.	34.59%	82.99%	34.18%	40.11%	20.48%	504.54%
discr. comp.(gen. assumption) annual.	34.59%	82.99%	34.18%	40.11%	20.48%	504.54%
std.dev. annualized	12.87%	13.28%	18.17%	20.33%	3.64%	36.43%
max drawdown	-8.25%	-5.26%	-14.44%	-10.11%	-1.60%	-15.24%
recovery duration (in trading days)	not recovered	31	19	not recovered	24	25
average drawdown	-1.659%	-1.300%	-2.773%	-2.901%	-0.304%	-3.063%
# drawdowns	21	30	17	19	28	27
minimum equity value	9511.59	9473.86	9416.61	9508.58	9931.24	9320.55
Trading day returns						
geom. average return	0.118%	0.240%	0.117%	0.134%	0.074%	0.717%
arithm. average return	0.121%	0.244%	0.123%	0.142%	0.074%	0.742%
max	2.68%	2.46%	3.88%	6.18%	0.97%	9.70%
min	-2.75%	-2.24%	-3.56%	-3.05%	-0.60%	-6.02%
Std.Dev of returns	0.81%	0.84%	1.14%	1.28%	0.23%	2.30%
Std.Dev of negative returns	0.49%	0.47%	0.70%	0.70%	0.13%	1.29%
1%-quantile	-1.78%	-1.44%	-2.37%	-2.53%	-0.43%	-4.25%
5%-quantile	-1.12%	-1.14%	-1.73%	-1.80%	-0.28%	-2.77%
50%-quantile(or median)	0.070%	0.170%	0.041%	0.000%	0.043%	0.430%
95%-quantile	1.58%	1.84%	2.31%	2.05%	0.47%	4.70%
99%-quantile	2.04%	2.28%	3.24%	4.76%	0.81%	8.10%
Risk-return measures						
return/vola-ratio on a trading day basis	0.15	0.29	0.11	0.11	0.32	0.32
returns' correlation with S&P500	0.10	0.04	0.24	-0.17	-0.13	-0.13
MAR ratio (return / max drawdown)	4.19	15.77	2.37	3.97	12.79	33.10
Sterling ratio (return/avg. drawdown)	20.85	63.83	12.33	13.83	67.49	164.71
Sortino ratio (return/std.dev of neg.returns)	4.43	11.20	3.08	3.63	9.97	24.56
Sharpe ratio w.r.t. S&P500	2.53	6.10	1.77	1.87	5.07	13.79

| Separate asset trades of the strategies	Strategy	Strategy	Strategy	Strategy	Strategy	Strategy
Count						
# total			924	442	703	703
# profitable			466	216	425	425
# losing			452	205	268	268
# neutral			6	21	10	10
Hit ratios						
profitable/losing			103.10%	105.37%	158.58%	158.58%
profitable/all			50.43%	48.87%	60.46%	60.46%
(profitable+neutral)/all trades			51.08%	53.62%	61.88%	61.88%
losing/all			48.92%	46.38%	38.12%	38.12%
Trades returns statistics						
average			0.13%	0.16%	0.11%	1.06%
max			13.35%	6.90%	3.55%	35.49%
min			-10.06%	-4.82%	-1.11%	-11.13%
Std.Dev.			2.28%	1.71%	0.45%	4.46%
1%-quantile			-5.13%	-4.06%	-0.91%	-9.07%
5%-quantile			-3.25%	-2.50%	-0.58%	-5.80%
50%-quantile (or median)			0.049%	0.000%	0.077%	0.771%
95%-quantile			4.08%	3.40%	0.89%	8.94%
99%-quantile			6.53%	6.22%	1.33%	13.26%
avg/stddev			0.06	0.09	0.24	0.24
Profitable trades returns						
average			1.72%	1.35%	0.36%	3.57%
Losing trades returns						
average			-1.50%	-1.08%	-0.29%	-2.86%
abs(average pos./average neg.)			1.15	1.26	1.25	1.25

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Stocks (60%), Interest Rates (30%), Currencies 10xG10 (10%)

The charts below demonstrate the individual development of the stocks, interest rates, and leveraged currencies over time.
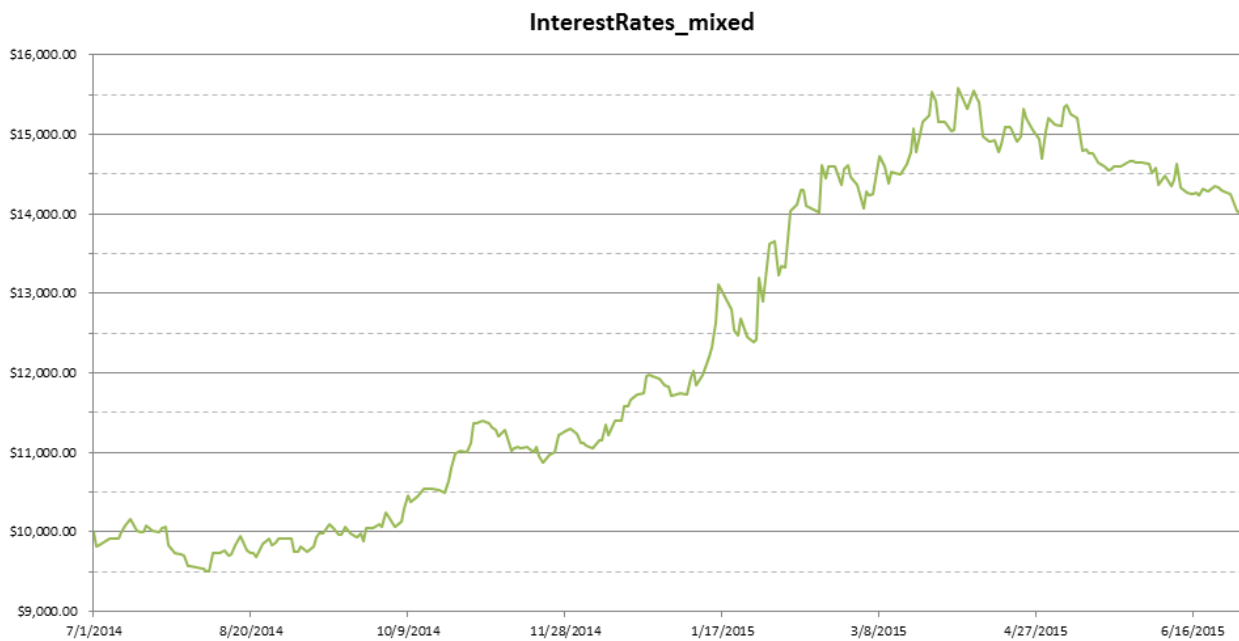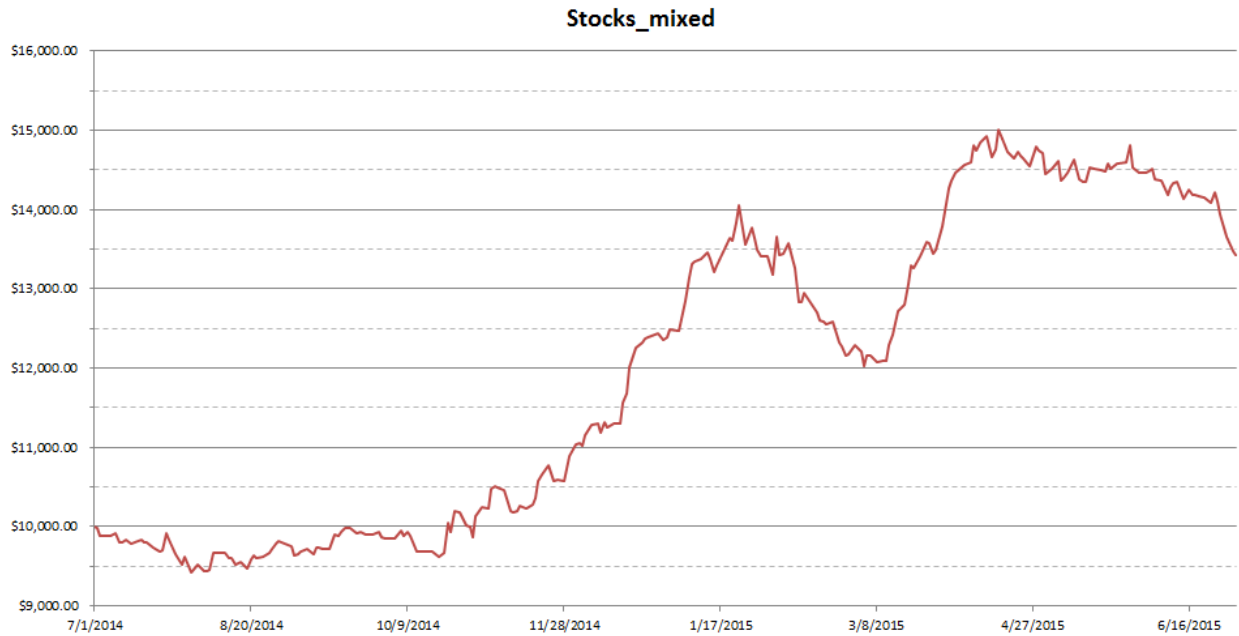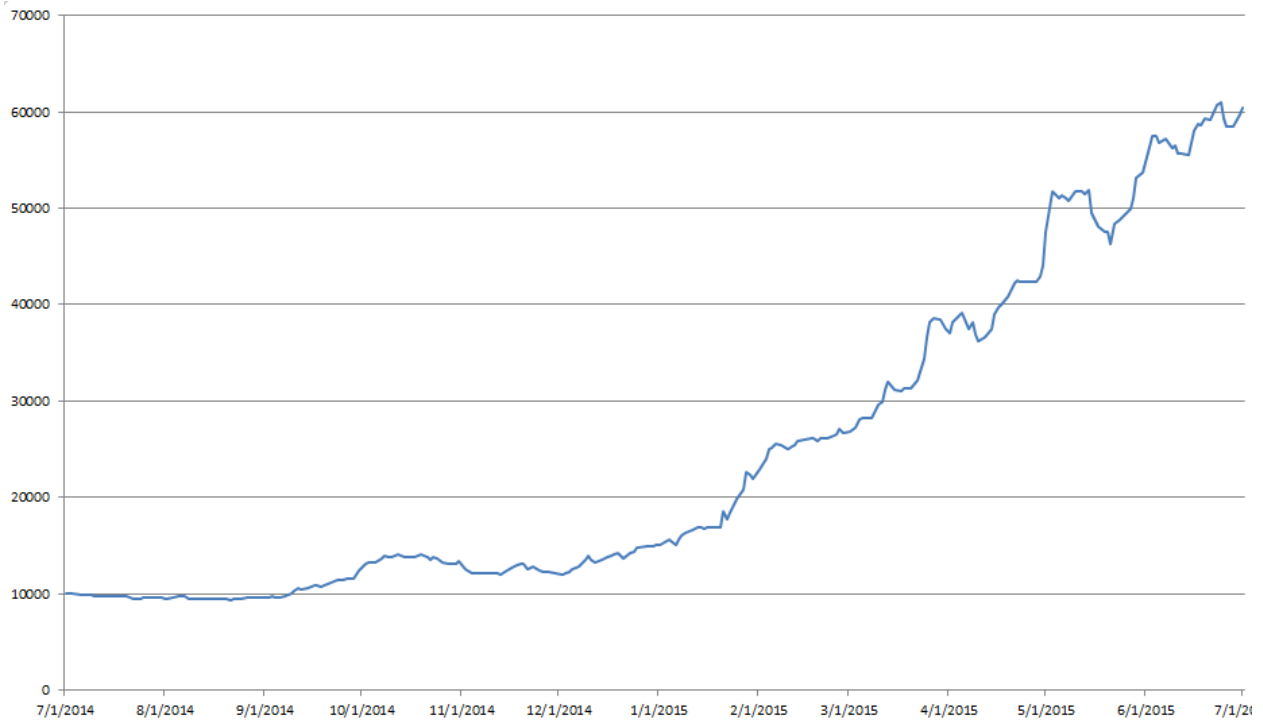
Stocks_mixed

InterestRates_mixed

G10 Currencies with a Leverage of 10

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