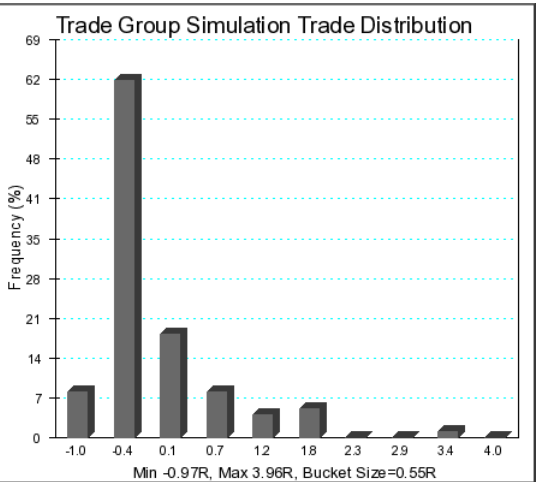
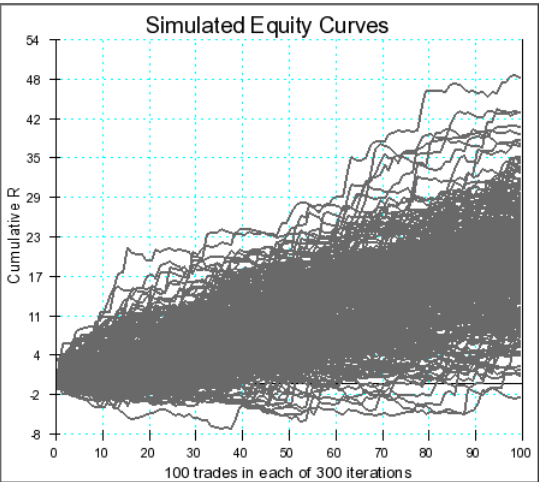
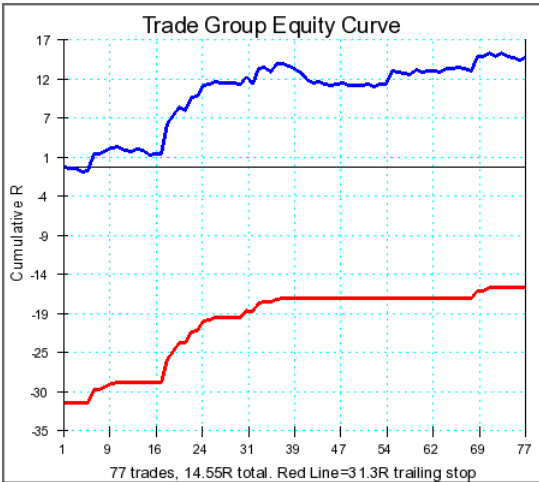


Report Date: 06-22-2008 **Trade Group:** Sample Trade Group (61) **Simulation Name:** Simulation of trade group Sample Trade Group(61) on 06-22-2008

Simulation Defaults:
 Risk Per Trade: 0.80% Maximum Drawdown: 25.00% Expected Annual Return: 30.00% Average Lengths: 125
 Iterations: 300 Trades per Iteration: 100 Standard Deviations: 1.75 Market: S and P 500

Simulation Parameters **Sample Statistics**
 Start Date: 08-03-2007 Number of Trades: 77 Average Winner: 0.61R Winner Percent: 53.25%
 End Date: 06-10-2008 Sample Duration (days): 312 Average Loser: -0.29R Loser Percent: 46.75%
 Trade Units: R Average Trade Duration (days): 78.70 Winner:Loser Size Ratio: 2.10 Expectation: 0.19



Simulation Results
 Iterations: 300 Highest Ending R: 41.93 Annual Expectation: 17.05R Longest Losing Streak: 60 trades (-17.07R)
 Total Simulated Trades: 30000 Lowest Ending R: -0.74 Biggest Single Winner: 3.96 Longest Winning Streak: 63 trades (29.76R)
 Percent Profitable Iterations: 99.33% Ending R Range: 42.67 Biggest Single Loser: -0.97 Breakeven Win: 33%

Sample Trade Values (R)






Type	Entry Date	Entry Price	Initial Stop	Size	Exit Date	Exit Price	Fees	Net Profit	R
Equity	08-03-2007	141.15	96.92	160	09-06-2007	143.03	-3.20	297.60	0.04
Equity	08-03-2007	39.00	52.78	-400	10-19-2007	41.92	-8.00	-1176.00	-0.21
Equity	08-03-2007	16.75	12.19	1000	09-20-2007	17.32	-10.00	557.00	0.13
Equity	08-03-2007	13.25	16.17	-1840	10-19-2007	14.68	-18.40	-2649.60	-0.49
Equity	08-03-2007	96.92	69.40	140	10-03-2007	97.81	-2.80	121.80	0.03
Equity	08-03-2007	107.74	153.94	-110	03-17-2008	4.71	-2.20	11331.10	2.23
Equity	08-03-2007	63.54	48.86	300	09-17-2007	63.90	-6.00	102.00	0.02
Equity	08-03-2007	74.69	52.27	150	01-16-2008	86.94	-3.00	1834.50	0.55
Equity	08-03-2007	20.83	26.93	-1190	06-05-2008	19.22	-11.90	1904.00	0.26

Equity 08-03-2007	63.38	44.69	240	09-18-2007	66.35	-4.80	708.00	0.16
Equity 08-03-2007	27.75	33.41	-580	10-29-2007	30.10	-5.80	-1368.80	-0.42
Equity 08-03-2007	105.34	74.53	150	11-26-2007	101.83	-3.00	-529.50	-0.11
Equity 08-03-2007	32.03	23.83	410	10-24-2007	33.46	-8.20	578.10	0.17
Equity 08-03-2007	61.02	69.15	-440	08-31-2007	61.80	-8.80	-350.80	-0.10
Equity 08-03-2007	23.34	27.95	-980	09-07-2007	25.95	-9.80	-2567.60	-0.57
Equity 08-03-2007	45.42	34.44	400	01-23-2008	46.95	-8.00	604.00	0.14
Equity 08-03-2007	134.83	93.04	100	09-06-2007	134.66	-2.00	-19.00	-0.00
Equity 08-03-2007	18.76	21.86	-1090	06-02-2008	6.50	-2.80	13360.60	3.96
Equity 08-03-2007	31.41	45.85	-490	06-02-2008	15.65	-2.80	7719.60	1.09
Equity 08-03-2007	36.97	49.60	-440	06-02-2008	22.42	-2.80	6399.20	1.15
Equity 08-31-2007	43.96	53.87	-440	10-03-2007	48.82	-8.80	-2147.20	-0.49
Equity 09-06-2007	68.78	60.37	460	05-01-2008	83.93	-9.20	6959.80	1.80
Equity 09-06-2007	126.95	82.83	50	11-16-2007	135.16	-2.00	408.50	0.19
Equity 09-07-2007	45.42	52.15	-320	06-02-2008	36.06	-2.80	2992.40	1.39
Equity 09-17-2007	251.77	143.32	40	01-17-2008	266.04	-2.00	568.80	0.13
Equity 09-18-2007	47.54	31.13	240	10-23-2007	52.61	-4.80	1211.60	0.31
Equity 09-20-2007	38.29	28.32	440	10-19-2007	37.01	-8.80	-572.00	-0.13
Equity 10-03-2007	36.35	45.65	-460	10-30-2007	36.54	-9.20	-96.60	-0.02
Equity 10-10-2007	85.17	58.95	160	12-18-2007	85.15	-3.20	-6.40	-0.00
Equity 10-19-2007	16.23	19.81	-1030	11-16-2007	16.45	-10.30	-236.90	-0.06
Equity 10-19-2007	64.96	75.57	-260	06-02-2008	54.87	-2.80	2621.90	0.95
Equity 10-23-2007	186.53	135.07	93	01-23-2008	136.63	-2.00	-4642.70	-0.97
Equity 10-23-2007	89.30	64.04	190	06-02-2008	140.96	-2.80	9812.60	2.05
Equity 10-24-2007	15.48	19.38	-1180	12-03-2007	14.76	-11.80	837.80	0.18
Equity 10-29-2007	61.59	41.51	210	02-07-2008	46.36	-4.20	-3202.71	-0.76
Equity 10-30-2007	128.54	154.26	-140	06-02-2008	98.01	-2.80	4271.40	1.19
Equity 11-16-2007	51.27	64.08	-380	12-18-2007	50.77	-7.60	182.40	0.04
Equity 11-16-2007	43.28	54.76	-420	12-18-2007	46.63	-8.40	-1415.40	-0.29
Equity 11-26-2007	43.76	29.53	280	01-04-2008	38.49	-5.60	-1482.40	-0.37
Equity 12-03-2007	47.03	34.44	330	01-23-2008	39.00	-6.60	-2656.50	-0.64
Equity 12-18-2007	102.01	78.70	240	01-23-2008	82.49	-4.80	-4688.64	-0.84
Equity 12-18-2007	22.14	28.57	-880	12-19-2007	24.74	-8.80	-2296.80	-0.40
Equity 12-18-2007	53.73	70.72	-370	06-02-2008	51.47	-2.80	837.10	0.13
Equity 12-20-2007	22.76	31.71	-720	01-29-2008	25.73	-7.20	-2145.60	-0.33
Equity 01-16-2008	26.68	33.35	-630	02-15-2008	27.95	-6.30	-807.66	-0.19
Equity 01-16-2008	157.19	120.60	100	04-01-2008	164.92	-2.00	771.00	0.21
Equity 01-23-2008	19.84	13.92	690	02-20-2008	20.19	-6.90	234.60	0.06
Equity 01-23-2008	60.28	39.20	230	02-15-2008	55.90	-4.60	-1012.00	-0.21
Equity 01-23-2008	93.00	36.82	61	03-20-2008	94.02	-2.00	60.22	0.02
Equity 01-23-2008	87.67	60.66	310	04-01-2008	87.63	-6.20	-18.60	-0.00
Equity 01-23-2008	24.61	8.36	600	03-26-2008	26.17	-6.00	931.20	0.10
Equity 01-29-2008	15.22	19.68	-1110	02-26-2008	16.55	-11.10	-1487.40	-0.30
Equity 02-07-2008	58.63	38.87	220	03-26-2008	63.20	-4.40	1001.00	0.23
Equity 02-15-2008	31.69	40.80	-580	03-19-2008	31.47	-5.80	121.80	0.02
Equity 02-15-2008	54.11	36.36	250	06-02-2008	84.80	-2.80	7669.67	1.73
Equity 02-21-2008	106.98	47.78	91	03-18-2008	102.45	-2.00	-414.23	-0.08
Equity 02-26-2008	13.01	16.00	-1470	03-26-2008	13.36	-14.70	-529.20	-0.12

Trading Simulation Analysis

Sample Duration		<p>The duration (312 days) of the sample trades is more than 1 year but still may not include trades from different market types your trading will experience.</p> <p>The market type analysis above will identify the different types of market (based on trend and volatility) that your trading has experienced. Make sure all market types are covered.</p>
Average Trade Duration		<p>The average duration (78.7 days) of the sample trades is more than 5 days and indicates low-frequency trading.</p> <p>This type of trading usually has larger winners, lower implementation costs, and is generally more likely to be profitable.</p>
Sample Size		<p>The simulation is based on only 77 sample trades. Ideally the simulation should be run with at least 100 sample trades to be representative of actual trading.</p> <p>Please wait until you have more sample trades, or generate more historical/hypothetical trades to work with.</p>
Expectation		<p>The expectation (average winner size times percent winners minus average loser size times percent losers) of 0.19 is positive.</p> <p>This means that, on average, you will a reasonable risk-adjusted return if future trades follow a similar pattern to the sample.</p>
Winner: Loser Ratio		<p>The average size of winners is greater than the average size of losers (winner size:loser size ratio is 2.1).</p> <p>This means your trading probably has well-designed exit strategies.</p>
Profitable Iterations		<p>A very high percentage (99.33%) of the simulations ended with profitable equity curves.</p> <p>This means the chances of making money overall over a reasonable number of trades (e.g. 100) is very good.</p>
Beakeven Win Percent		<p>A low winning percentage (33%) of trades is required to break even with the sample distribution provided.</p> <p>This means your trading will not lose money even during periods where your entry signals is selecting trades that perform no better than random.</p>
Percentage of Winners		<p>The percentage of winning trades (53.25%) is relatively high.</p> <p>This may indicate curve-fitting of trading parameters to past data, or exit strategies that take profits too early.</p>
Average Winner Size		<p>Average size of a winning trade (0.61R) is less than 1R and indicates excessive slippage, trading implementation errors, or an exit strategy taking profit too soon.</p> <p>Generally, accurate trading should have average winning trades greater than the initial risk taken (unlike this sample).</p>
Biggest Winner Size		<p>The largest single winning trade is (3.96R) is more than 1.5R and indicates normal slippage, accurate trade implementation errors, and an exit strategy that lets profits run.</p> <p>Generally, accurate trading should have some winning trades much greater than the initial risk taken (unlike this sample).</p>
Average Loser Size		<p>Average size of a losing trade (-0.29R) is less than -1R and indicates normal slippage, few trading implementation errors, and consistent exit strategy application.</p> <p>Generally, accurate trading exhibits average losing trades less than the initial risk taken (like this sample).</p>
Biggest Loser Size		<p>The largest single losing trade (-0.97R) is less than -1.5R and indicates normal slippage, accurate trading implementation, and an exit strategy that manages risk properly.</p> <p>Generally, accurate trading should have few losing trades greater than the initial risk taken (unlike this sample).</p>
Losing Streak		<p>The longest losing streak of 60 trades and -17.07R is high compared to your default maximum drawdown of 31.25R.</p> <p>With your default 0.8% per trade position-sizing model this may result in losses of more than your maximum drawdown of 25%.</p>
Ending R Range		<p>The range in the maximum and minimum ending equity curves (42.67R) is high relative to your annual expected return of 24.00R</p> <p>This indicates a large amount of variation in the trade sample and may lead to volatile results.</p>
Annual Expectation		<p>The annual expectation (in R) is (17.05R), which is high compared to your default expected return of 24.00R.</p> <p>With your 0.8% per trade position-sizing model this may result in too much risk and large drawdowns for most traders since risk always goes hand-in-hand with return.</p>
Serial Dependency		<p>There is a small deviation between the estimated occurrence of pairs of winning or losing trades versus the actual occurrence in the sample provided</p> <p>This means your trading is unlikely to exhibit a dependent relationship between winners and losers and makes random simulation more realistic.</p>

Summary

-  (03 occurrences in this sample) Code Red - There is a problem with the trade sample that should be addressed before using the information contained in this report or continuing to trade in the manner represented by the provided sample.
 -  (12 occurrences in this sample) Code Amber - There is a potential problem with the trade sample that should be addressed for improved accuracy of this report, or better trading performance.
 -  (10 occurrences in this sample) Code Green - This aspect of the trade analysis is acceptable under normal conditions.
 -  The All Systems Go Score for this trade sample is 70.68. This is a good score overall.
-  Warning, your All Systems Go™ result is "Code Red". You should attempt to remedy the highlighted issues before continuing to trade in this way.

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Beta Version 1.1 6/19/2008. Release notes are [here](#).