

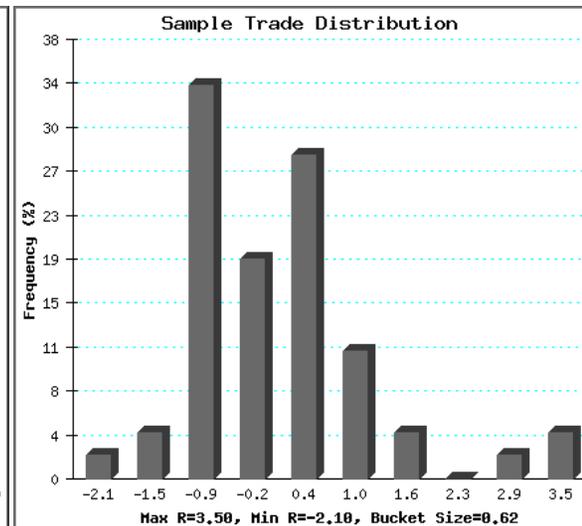
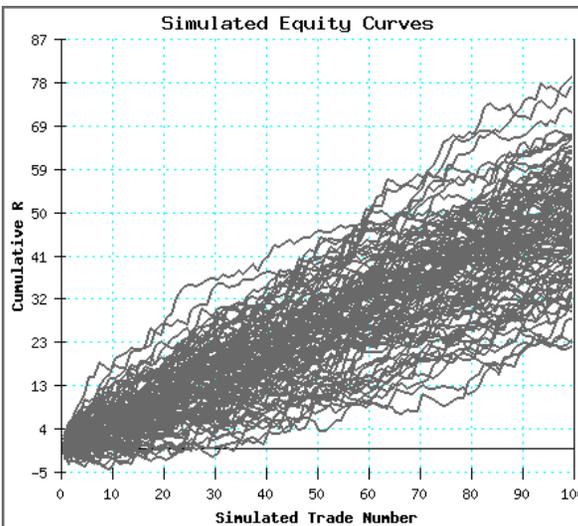
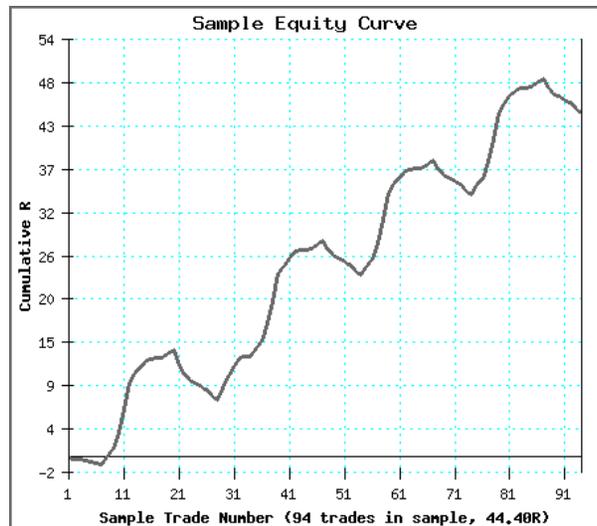
**Report Date:** 05/22/08      **Prepared for:** Paul King (public@pmkingtading.com)      **Simulation Name:** Sample Report

**Simulation Parameters**

Start Date: 01/01/1998      Number of Trades: 94  
 End Date: 05/21/2008      Sample Duration (days): 3793  
 Trade Units: R      Average Trade Duration (days): 40.35

**Sample Statistics**

Average Winner (R): 1.13      Winner Percent: 61.70%  
 Average Loser (R): -0.58      Loser Percent: 38.30%  
 Winner:Loser Size: 1.95      Expectation: 0.48



**Simulation Results**

Iterations:	100	Highest Ending R:	70.17	Annual Expectation (R):	4.30	Longest Losing Streak:	38 trades (-20.76R)
Trades per iteration:	100	Lowest Ending R:	24.59	Biggest Single Winner:	3.50	Longest Winning Streak:	55 trades (58.06R)
Percent Profitable Iterations:	100%	Ending R Range:	45.58	Biggest Single Loser:	-2.10	Breakeven Win:	34%

**Sample Trade Values (R)**

-0.1, -0.15, -0.12, -0.1, -0.16, -0.24, -0.13, 1.1, 0.95, 2.1, 2.95, 3.5, 1.12, 0.95, 0.75, 0.25, 0.1, 0.1, 0.5, 0.53, -2.1, -1.2, -0.75, -0.25, -0.5, -0.5, -0.75, -0.5, 1.5, 1.75, 1.2, 1.0, 0.1, 0.15, 1.1, 0.95, 2.1, 2.95, 3.5, 1.12, 0.95, 0.75, 0.25, 0.1, 0.1, 0.5, 0.53, -1.2, -0.75, -0.25, -0.5, -0.5, -0.75, -0.5, 1.1, 0.95, 2.1, 2.95, 3.5, 1.12, 0.95, 0.75, 0.25, 0.1, 0.1, 0.5, 0.53, -1.2, -0.75, -0.25, -0.5, -0.5, -0.75, -0.5, 1.1, 0.95, 2.1, 2.95, 3.5, 1.12, 0.95, 0.75, 0.25, 0.1, 0.1, 0.5, 0.53, -1.2, -0.75, -0.25, -0.5, -0.5, -0.75, -0.5

**Trading Simulation Analysis**

**Sample Duration** ● The duration (3793 days) of the sample trades is more than 1 year but still may not include trades from different market types your trading will experience. It is recommended you perform a market type analysis to identify the different types of market (based on trend and volatility) that your trading has experienced to make sure all market types are covered.

**Average Trade Duration** ● The average duration (40.35 days) of the sample trades is more than 5 days and indicates low-frequency trading. This type of trading usually has larger winners, lower implementation costs, and is generally more likely to be profitable.

Sample Size		The simulation is based on only 94 sample trades. Ideally the simulation should be run with at least 100 sample trades to be representative of actual trading. Please wait until you have more sample trades, or generate more historical/hypothetical trades to work with.
Expectation		The expectation (average winner size times percent winners minus average loser size times percent losers) of 0.48 is positive. This means that, on average, you will make money trading in this way if future trades follow a similar pattern to the sample.
Winner: Loser Ratio		The average size of winners is greater than the average size of losers (winner size:loser size ratio is 1.95). This means your trading probably has well-designed exit strategies.
Profitable Iterations		A high percentage (100%) of the simulations ended with profitable equity curves. This means the chances of making money overall over a reasonable number of trades (e.g. 100) is good.
Beakeven Win Percent		A low winning percentage (100%) of trades is required to break even with the sample distribution provided. This means your trading will not lose money even during periods where your entry signals is selecting trades that perform no better than random
Percentage of Winners		The percentage of winning trades (61.7%) is relatively high. This may indicate curve-fitting of trading parameters to past data or exit strategies that take profits too early.
Average Winner Size		Average size of a winning trade (1.13R) is more than 1R and indicates normal slippage, few trading implementation errors, and an exit strategy that lets profits run. Generally, accurate trading exhibits average winning trades more than the initial risk taken (like this sample).
Biggest Winner Size		The largest single winning trade is (3.5R) is more than 1R and indicates normal slippage, accurate trade implementation errors, and an exit strategy that lets profits run. Generally, accurate trading should have some winning trades much greater than the initial risk taken (unlike this sample).
Average Loser Size		Average size of a losing trade (-0.58R) is less than -1R and indicates normal slippage, few trading implementation errors, and consistent exit strategy application. Generally, accurate trading exhibits average losing trades less than the initial risk taken (like this sample).
Biggest Loser Size		The largest single losing trade (-2.1R) is more than -1.5R and indicates excessive slippage, trading implementation errors, or an exit strategy not managing risk properly. Generally, accurate trading should have few losing trades greater than the initial risk taken (unlike this sample).
Losing Streak		The longest losing streak of 38 trades and -20.76R is not too high. With a typical 1% per trade position-sizing model this should result in reasonable risk and drawdowns under normal conditions.
Ending R Range		The range in the maximum and minimum ending equity curves (45.58R) is not too high. This indicates a relatively small amount of variation in the trade sample and should lead to more stable results.
Annual Expectation		The annual expectation (in R) is (4.3R) which is not too high. With a typical 1% per trade position-sizing model this should result in reasonable risk and drawdowns for most traders under normal conditions.

### Summary

 (00 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.

 (03 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.

 (12 occurrences in this sample) Code Green - This aspect of the trade analysis is acceptable under normal conditions.

 Your All Systems Go™ result is "Code Amber". Although there is nothing seriously wrong, there may be room for improvement in your trading. The areas of position-sizing and exit strategies are where significant performance improvements can usually be achieved.