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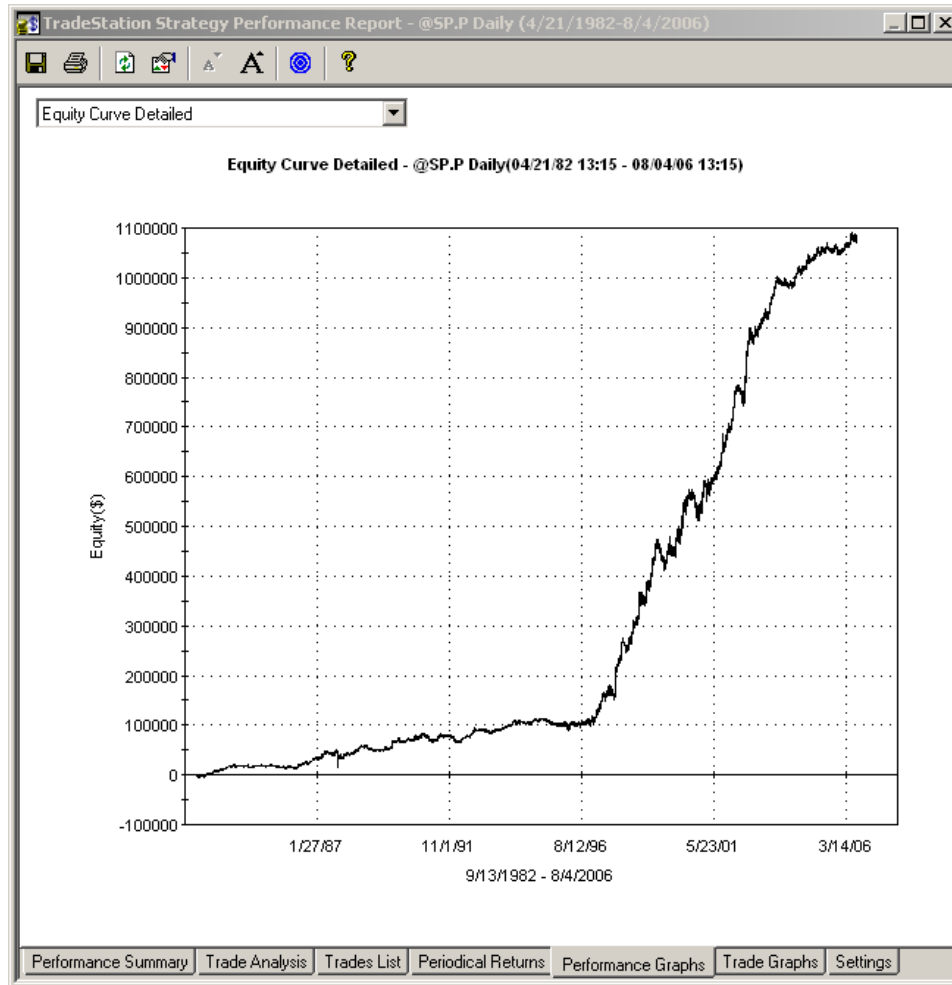
TSL TRADING SYSTEM DESCRIPTION S&P FUTURES TSL_SP_1.0z

The TSL_SP_1.0z Trading System is intermediate term overnight Trading System that trades the full size S&P futures contract. This trading system was partially designed by TSL's computer algorithm and partially designed using legacy components. This trading system employs several adaptive measurements:

- Cyclical components of the S&P market
- Seasonal characteristics of the S&P market
- Autocorrelation of the underlying time series
- Statistical distribution of the volatility of the S&P market
- Counter-trending nature of the S&P market
- Ability of the S&P market to sustain a trend (See TSL's demos)
- Detrended movement characteristics of the S&P market
- Distribution and decay of the pull backs and rallies of the S&P market

This system is available only for the TradeStation platform, however the trading signal market orders may be manually entered verses automatically.

This system is generally always in the market entering on tomorrows Regular Trading Hours (RTH) close. This system trades on daily bars. The following figure shows the equity curve of this trading system. All results do not include any slippage and commission. The original version of this trading system was created in 2003 and various implementations have been enhanced by TSL's genetic program. The TSL_SP_1.0z trading system shows a hypothetical accuracy rate of 70% and a profit factor of 2.69. This system is profitable both before and after the 1996-2001 explosive rally, and subsequent pullback, in the S&P due to the trading system not relying on short term breakout patterns as the primary entry vehicle. The lack of exit optimization is evident by the relatively long trade hold duration of 9 to 16 days. There is no highly optimized exit strategy in this system which would imply a highly curve fit system resulted.



TSL_SP_1.0z. Equity curve

Note: Full report available at: www.TradingSystemLab.com

S&P FUTURES TSL_SP_1.0z SYSTEM SPECIFICS

Entry Type System:

Trade to Parameter Ratio:

Protective Stops:

Development Data Size:

Bar Interval:

Hold Duration:

TSL Data Set used:

TSL Fitness Function:

Out of Sample Period:

Walk Forward Duration:

Created on:

Int. Term Multi pattern

Over 55:1

Adaptive Volatility

Approximately 20 years

Daily

Overnight

Proprietary

Proprietary

2.5 years

Approximately 2.5 years

12/2003

TradeStation Performance Summary Expand ▾			
All Trades			
Total Net Profit	\$1,080,600.00	Profit Factor	2.69
Gross Profit	\$1,718,600.00	Gross Loss	(\$638,000.00)
Total Number of Trades	556	Percent Profitable	70.50%
Winning Trades	392	Losing Trades	163
Even Trades	1		
Avg. Trade Net Profit	\$1,943.53	Ratio Avg. Win:Avg. Loss	1.12
Avg. Winning Trade	\$4,384.18	Avg. Losing Trade	(\$3,914.11)
Largest Winning Trade	\$39,625.00	Largest Losing Trade	(\$35,800.00)
Max. Consecutive Winning Trades	13	Max. Consecutive Losing Trades	5
Avg. Bars in Winning Trades	9.65	Avg. Bars in Losing Trades	16.97
Avg. Bars in Total Trades	11.79		
Max. Shares/Contracts Held	1	Account Size Required	\$42,600.00
Return on Initial Capital	1080.60%	Annual Rate of Return	10.33%
Return Retracement Ratio	0.12	RINA Index	230.23
Trading Period	23 Yrs, 10 Mths, 20 Dys	Percent of Time in the Market	99.99%
Max. Equity Run-up	\$1,097,037.50		
Max. Drawdown (Intra-day Peak to Valley)		Max. Drawdown (Trade Close to Trade Close)	
Value	(\$63,775.00)	Value	(\$42,600.00)
Net Profit as % of Drawdown	1694.39%	Net Profit as % of Drawdown	2536.62%
Max. Trade Drawdown	(\$48,800.00)		

TSL_SP_1.0z. System Summary Report

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.