Intelligent Fund Management, LLC

Progress Report

Nov 2, 2023

OmniFunds 3.0

Performance-Based Switching

Instead of 2 (fixed) Portfolios be able to switch between “N” Portfolios based on performance.*

* Analysis performed by Mark Holstius July 2023. See prior Investor Blog posts.

OmniFunds v3

Functional Specification v1.1

Overview

OmniFunds is comprised of Portfolios, which are Trading Methods that have a List, Filtering, Ranking and Allocation defined. Two Portfolios are combined to define an OmniFund. Exits occur on the switching interval, when new Symbols pass the Filter AND have a higher Rank than existing trades within a Portfolio.

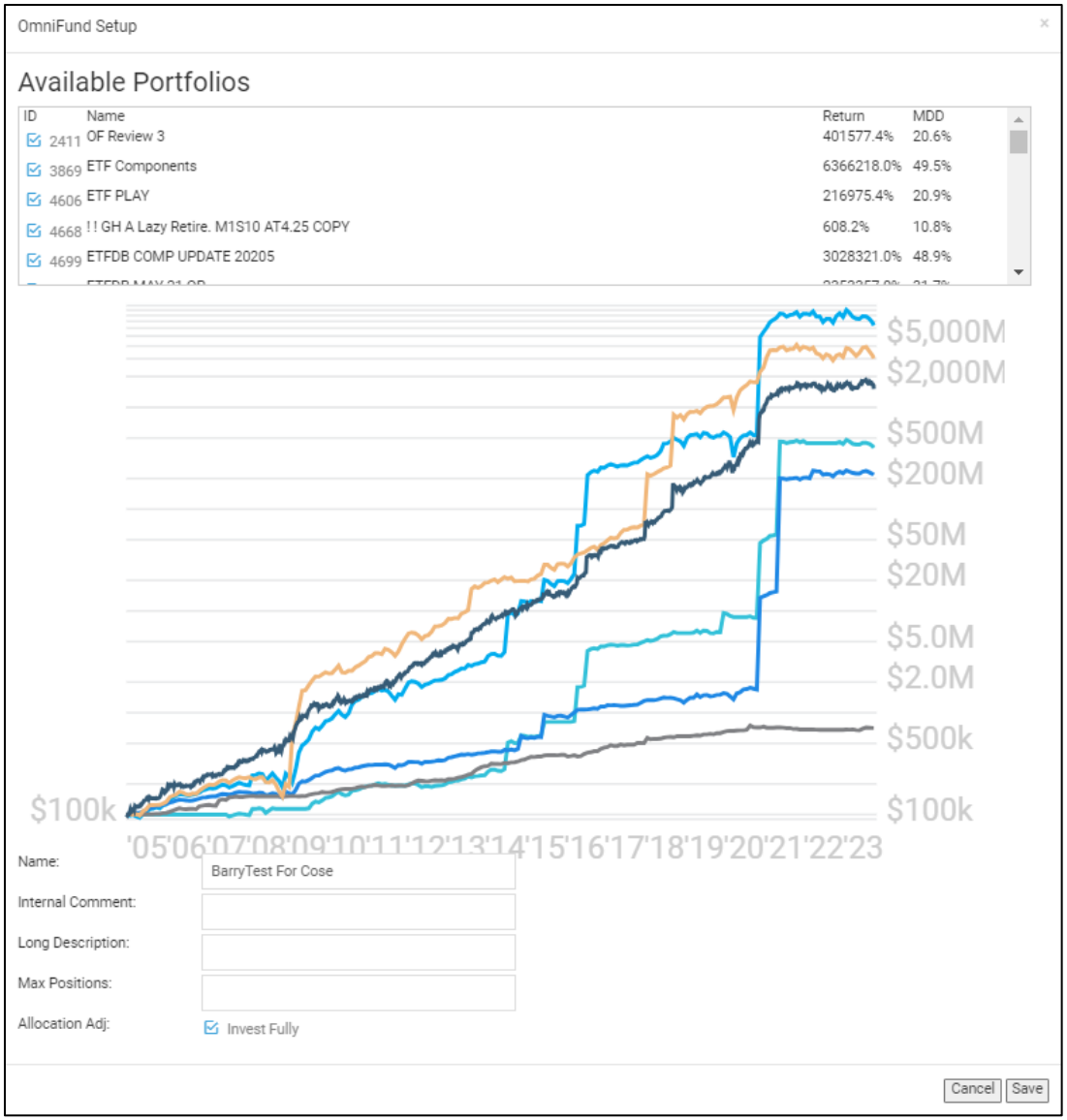
Historical Trading Observations:

Studying historical Portfolio curves since 2018, it has been determined that a consistent return can be achieved by switching into the best Portfolios based on an analysis of recent returns. Here is a graph showing 15 “randomly” selected Portfolios from Omnifunds, showing tremendous variability of returns. This leads to losses and draw downs if only 2 Portfolios are chosen and left to run.

This one trades the middle 5 ranked Portfolios each week using Standard Deviation of Returns as the ranking function. **30%/year w 5% MDD**

Implementation

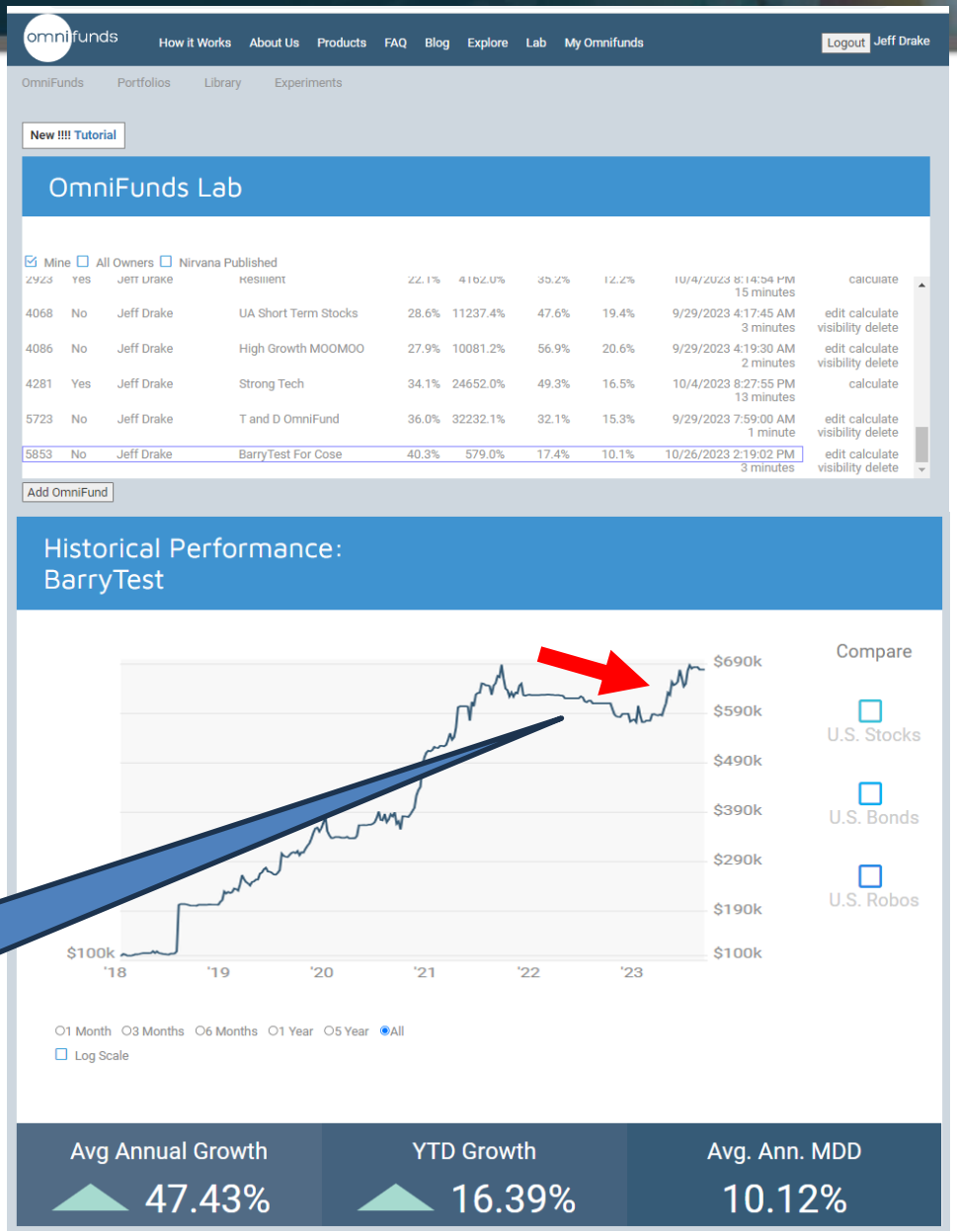
This New OmniFund has 6 Portfolios.



Implementation

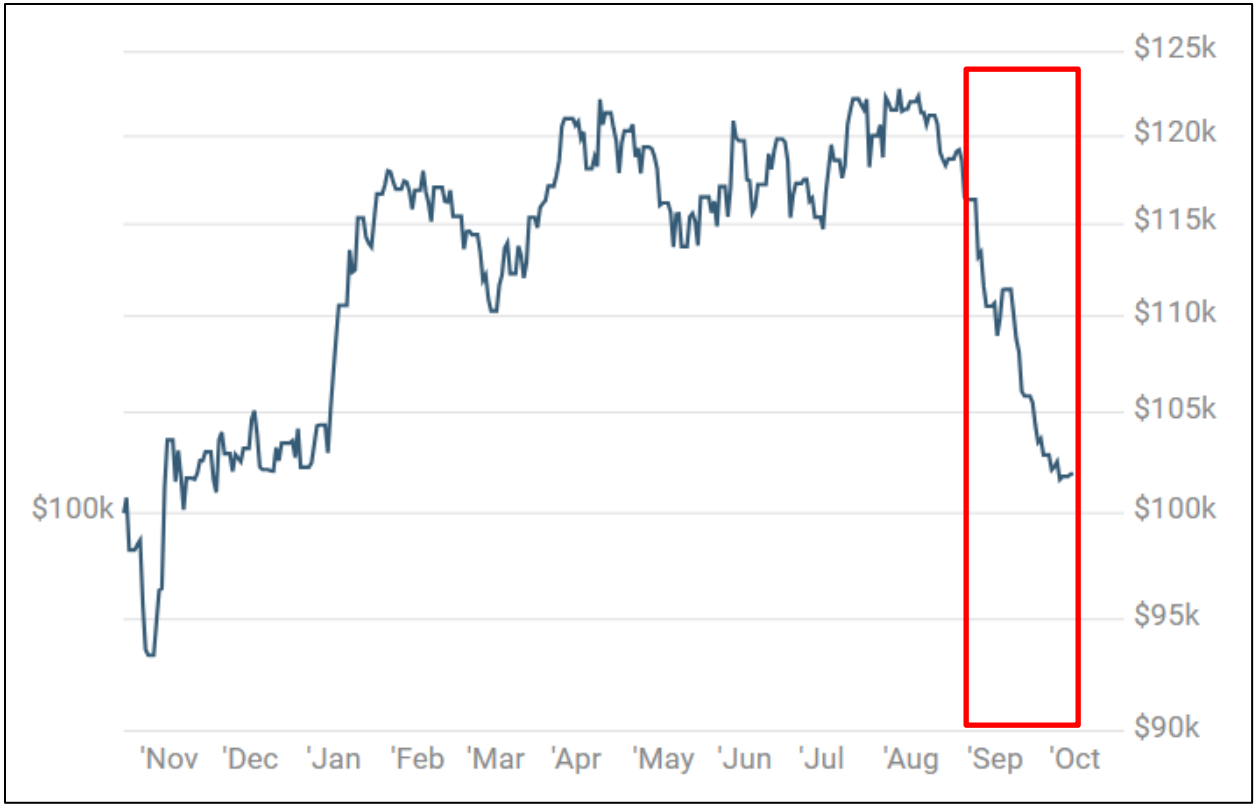
The curve shows the result of Dynamic Switching over time.

How can we reduce Draw Downs?



Draw Down Reduction

This Portfolio made 20% before suffering a draw down in the recent Bear Market.



Can this be avoided?

Draw Down Reduction

Symbols selected on October 1

10/01/2023	ATRI	25%
	EW	15%
	HSY	20%
	ICUI	40%
09/01/2023	CPK	20%
	HSY	25%
	ICUI	40%
	NJR	15%
08/01/2023	ARTNA	15%
	HSY	25%
	HUM	40%
	NJR	20%
07/01/2023	ARTNA	15%
	CWT	40%
	TEVA	20%
	UGI	25%
06/01/2023	ARTNA	15%
	ATRI	40%
	TEVA	20%
	UGI	25%

Let’s examine what happened next.

Draw Down Reduction

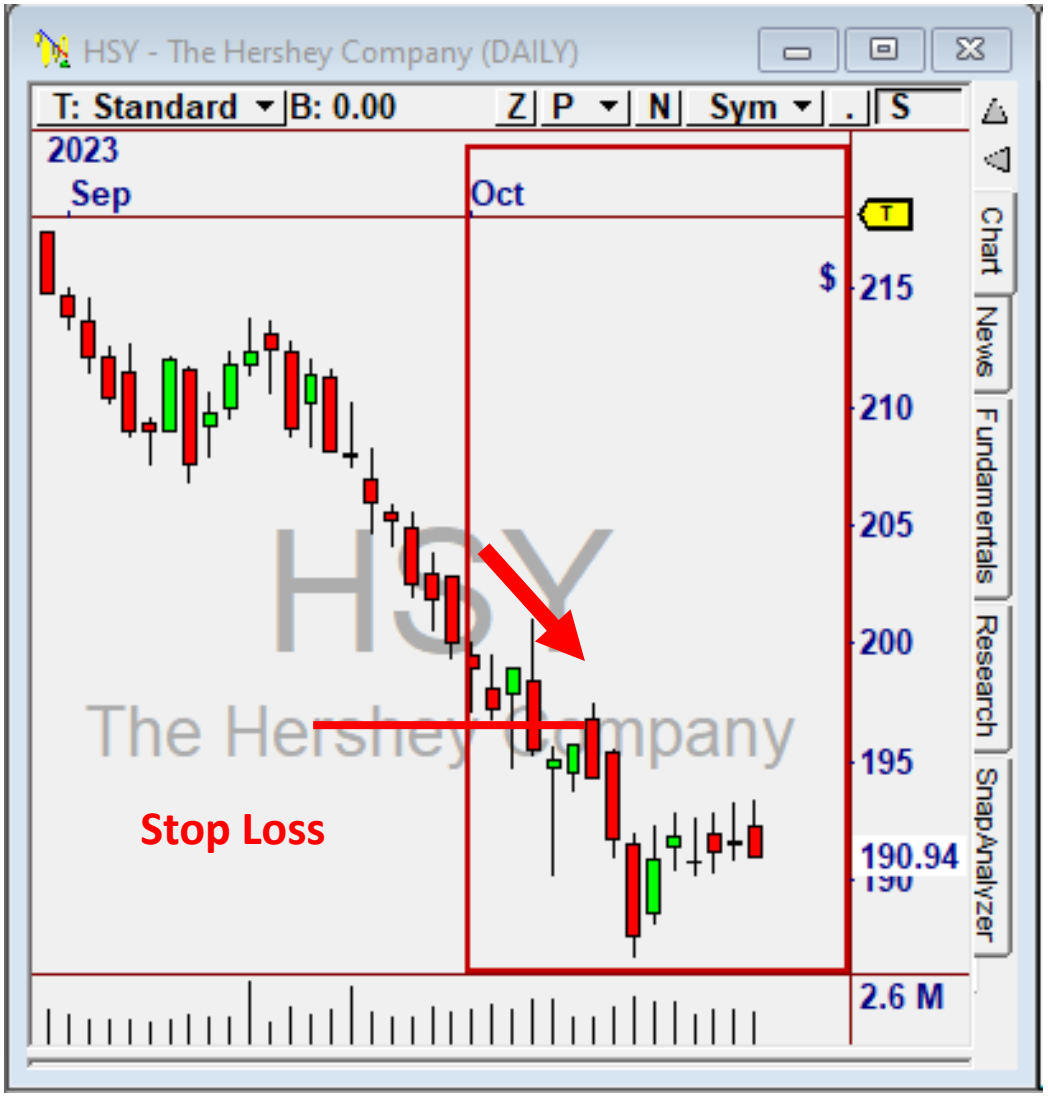
A Closer Look

Looking at these charts, we find 3 out of the 4 fell after October 1.

Draw Down Reduction

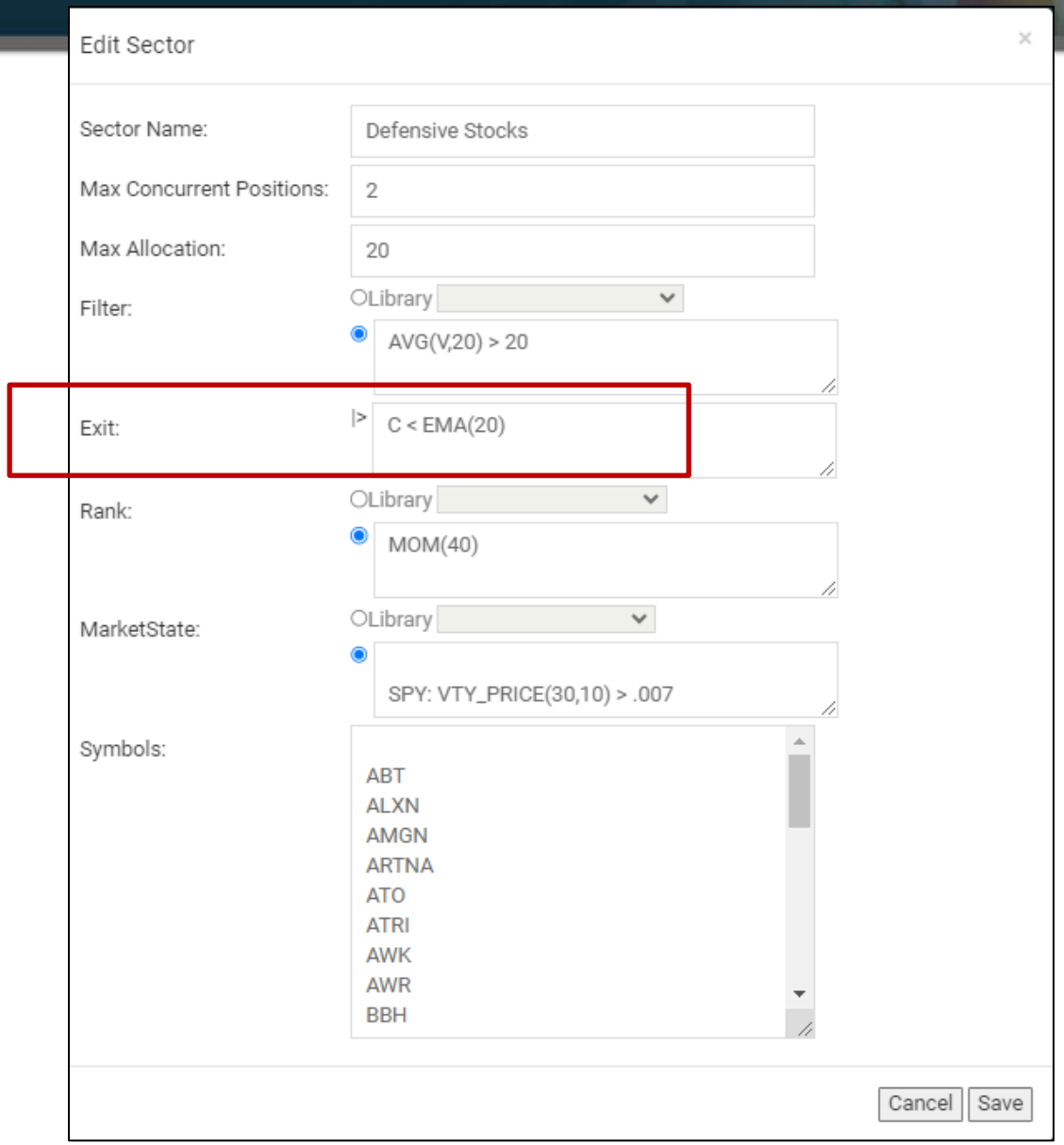
Loss Control

We can test performance each day and exit individual trades to reduce these losses.



Exit Condition

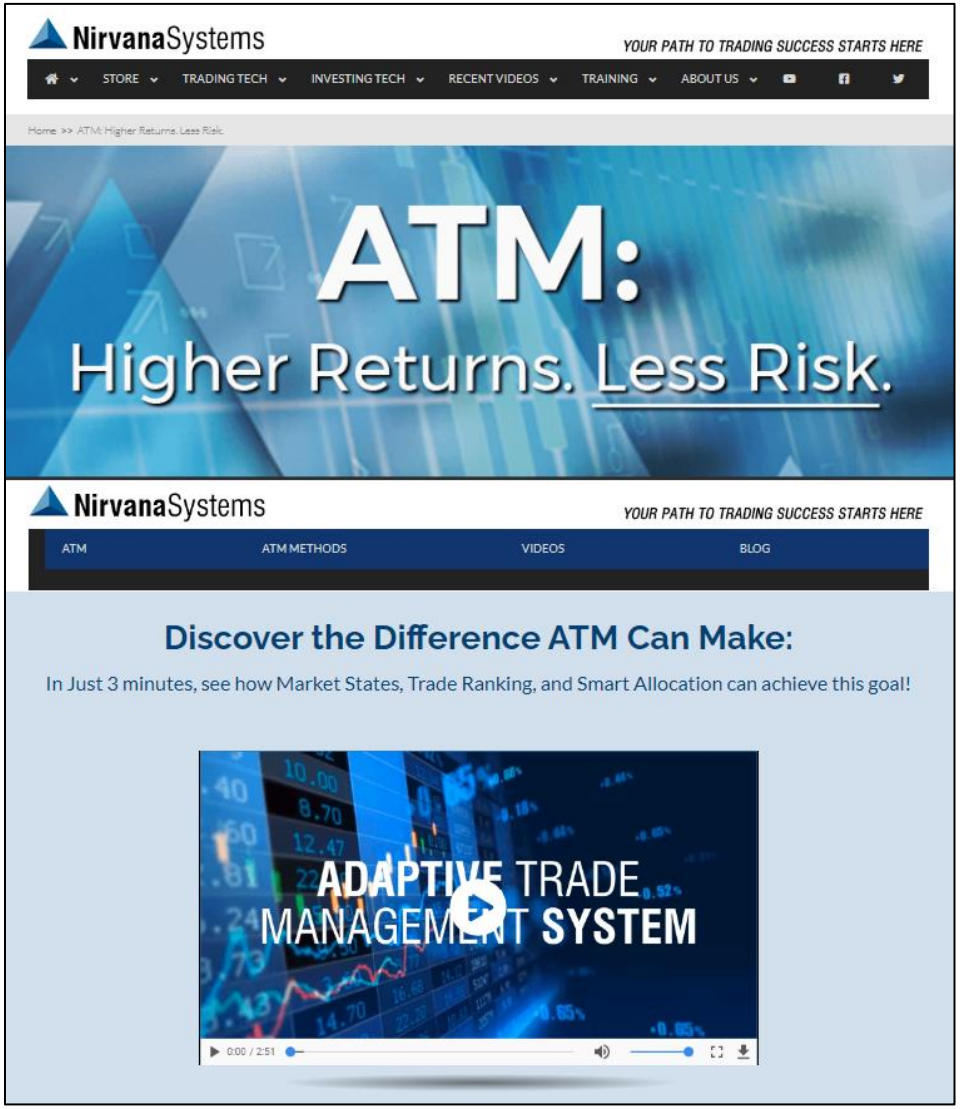
An **Exit Condition** has been added to the Sector Definition.



Using OmniTrader to Build OmniFunds!

In ATM, we can now enter trades that are “in progress” as opposed to Entry Signals only.

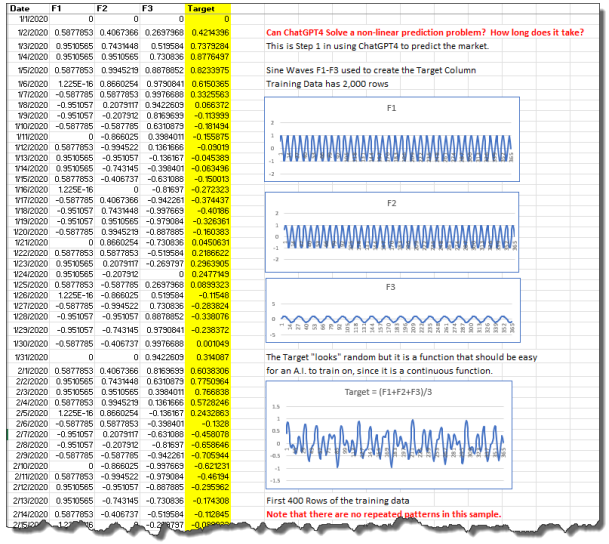
This will enable us to test OmniFunds concepts much more quickly than before.



Artificial Intelligence

In the prior blog post, we described a recent A.I. experiment using ChatGPT.

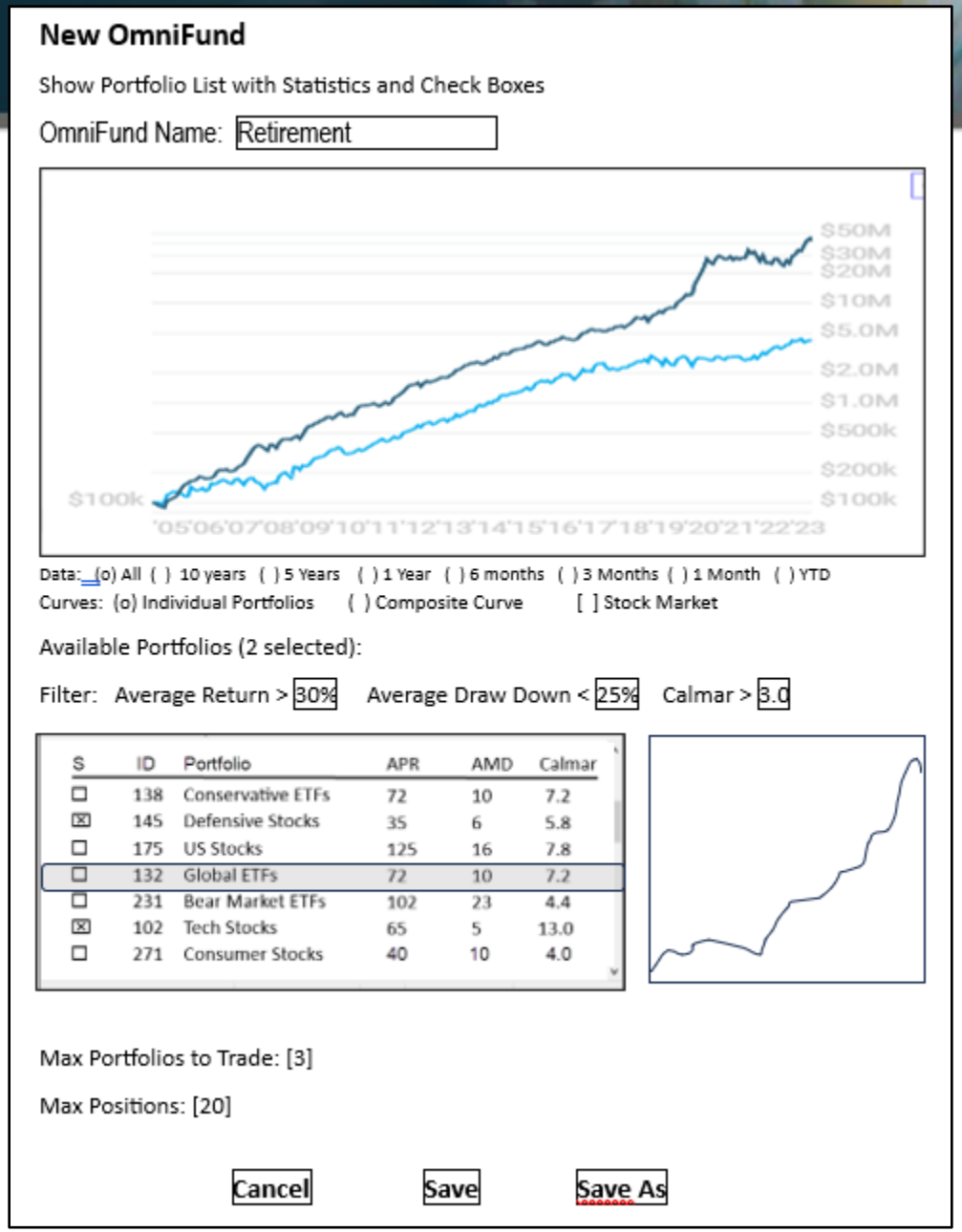
We are continuing to explore the use of A.I. technology for opportunity ranking.



Alpha Release

We are continuing to make changes for an **Alpha Release** in November.

We will also add new Portfolios that take advantage of the Exit Condition feature.



OmniFunds

Because Returns Matter.

OmniFunds