



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.



OmniFund Setup

Available Portfolios

| ID | Name | Return | MDD |
|------------------------------------------|----------------------------------------|------------|-------|
| <input checked="" type="checkbox"/> 2411 | OF Review 3 | 401577.4% | 20.6% |
| <input checked="" type="checkbox"/> 3869 | ETF Components | 6366218.0% | 49.5% |
| <input checked="" type="checkbox"/> 4606 | ETF PLAY | 216975.4% | 20.9% |
| <input checked="" type="checkbox"/> 4668 | !! GH A Lazy Retire. M1S10 AT4.25 COPY | 608.2% | 10.8% |
| <input checked="" type="checkbox"/> 4699 | ETFDB COMP UPDATE 20205 | 3028321.0% | 48.9% |
| <input type="checkbox"/> | ETFDB MAY 01 08 | 225257.0% | 21.7% |

Name:

Internal Comment:

Long Description:

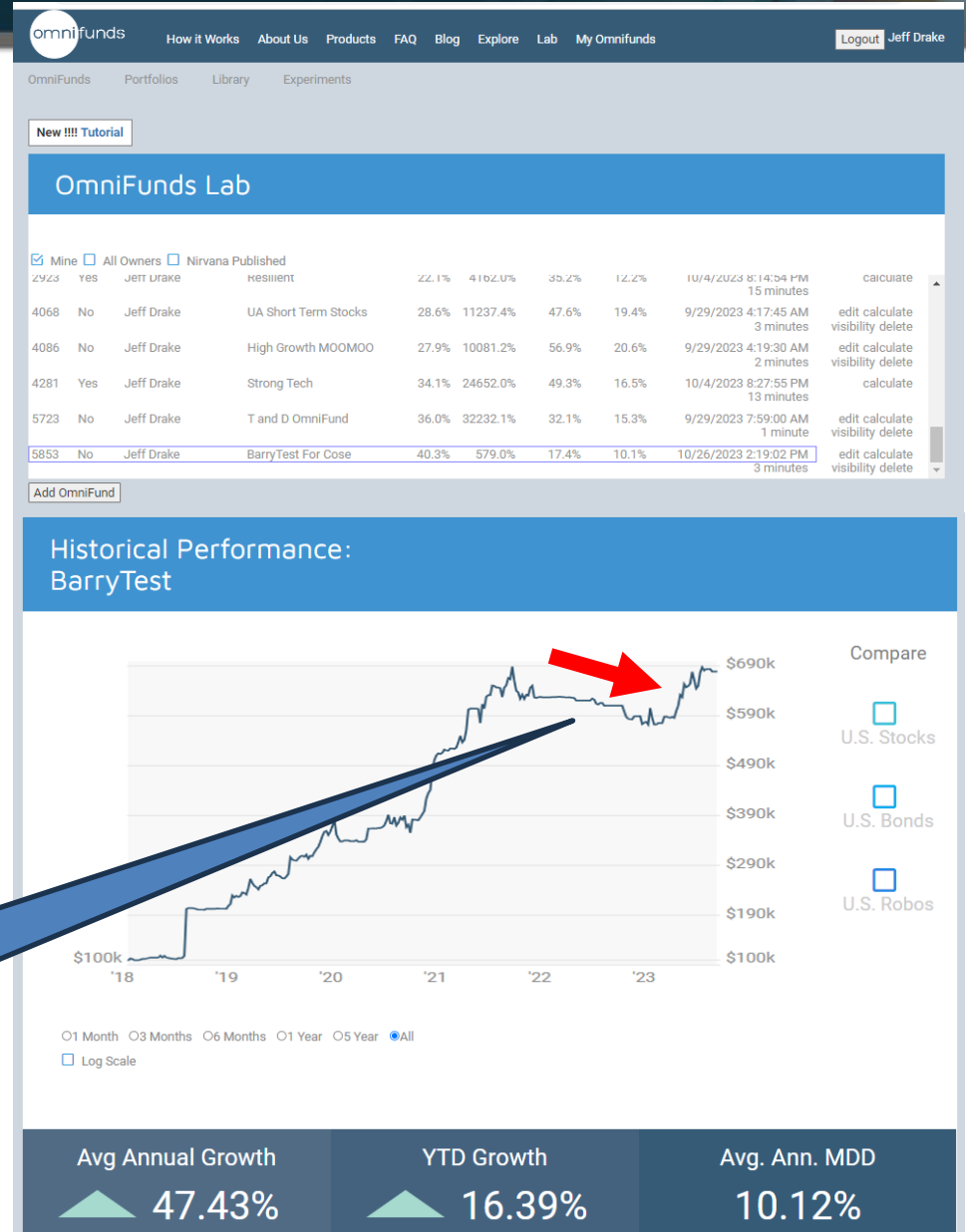
Max Positions:

Allocation Adj: Invest Fully

Implementation

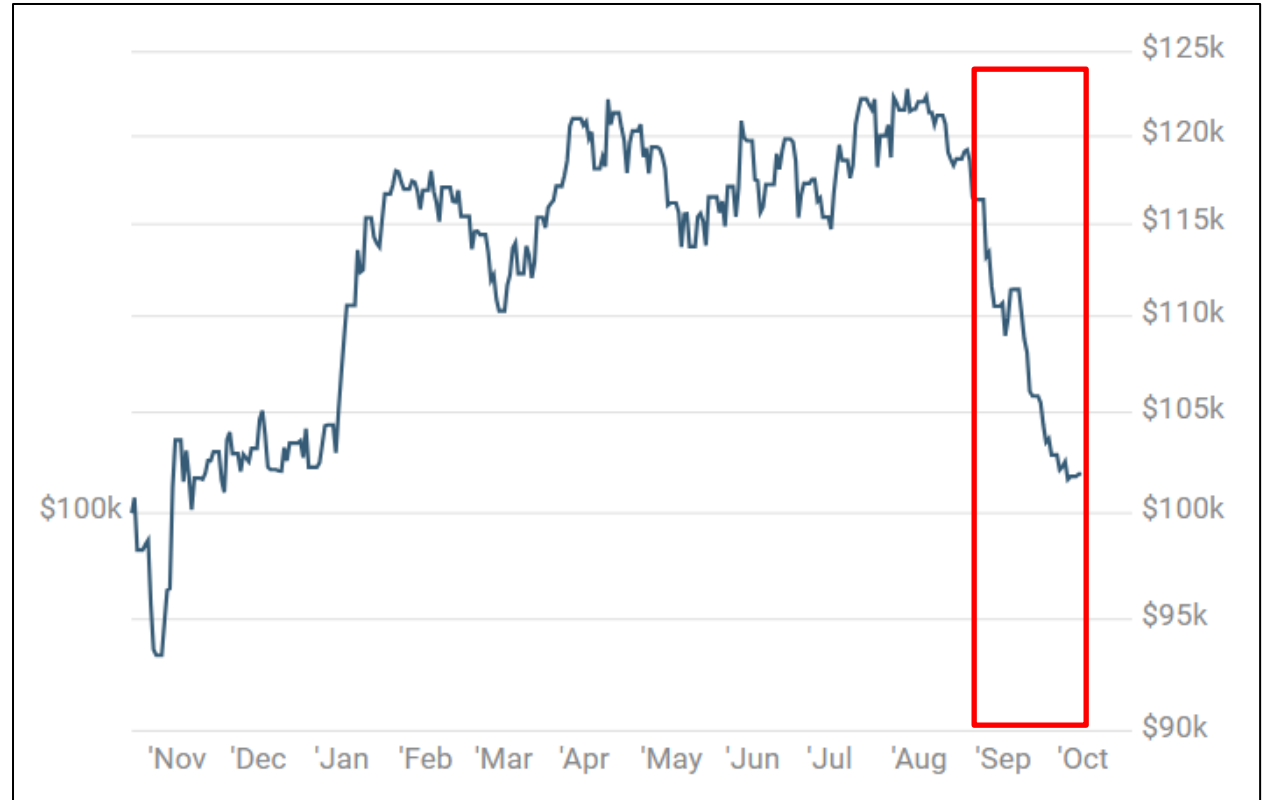
The curve shows the result of Dynamic Switching over time.

How can we reduce Draw Downs?



Draw Down Reduction

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

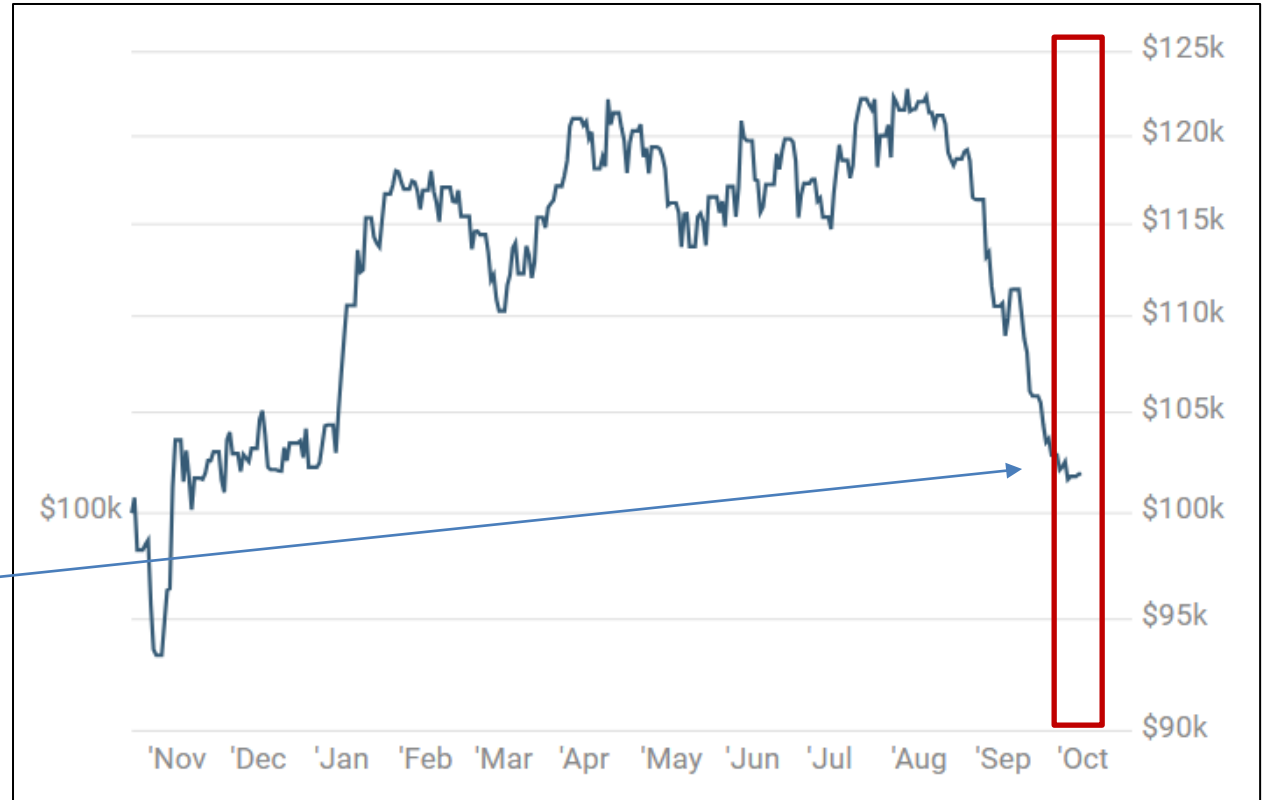


Can this be avoided?

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

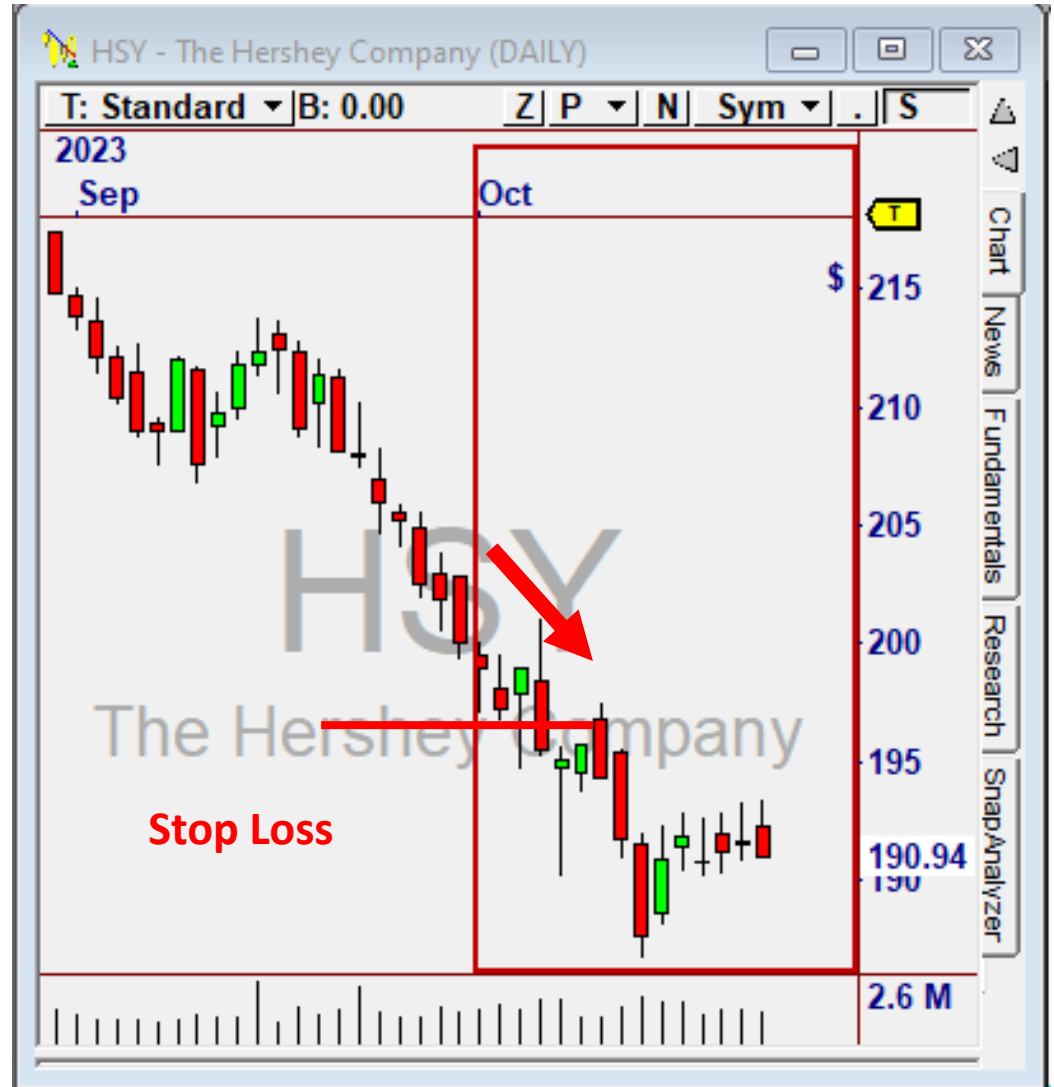
Looking at these charts, we find 3 out of the 4 fell after October 1.



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.

The screenshot shows the 'Edit Sector' dialog box with the following fields and values:

- Sector Name: Defensive Stocks
- Max Concurrent Positions: 2
- Max Allocation: 20
- Filter: OLibrary [dropdown], AVG(V,20) > 20
- Exit: **C < EMA(20)** (highlighted with a red box)
- Rank: OLibrary [dropdown], MOM(40)
- MarketState: OLibrary [dropdown], SPY: VTY_PRICE(30,10) > .007
- Symbols: List of stock symbols including ABT, ALXN, AMGN, ARTNA, ATO, ATRI, AWK, AWR, and BBH.

Buttons: Cancel, Save

Using OmniTrader to Build OmniFunds!

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

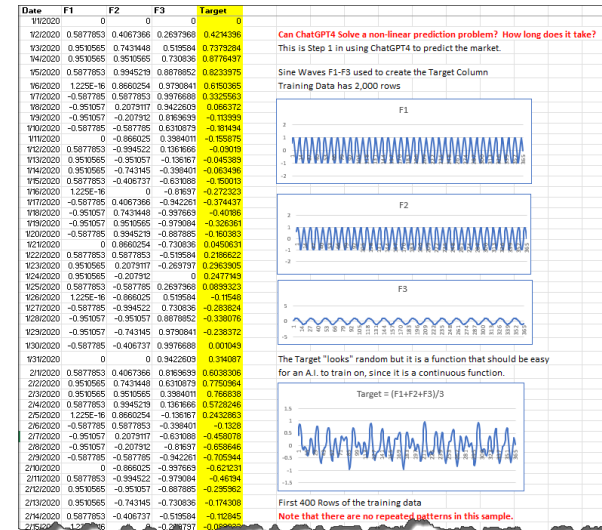
This will enable us to test OmniFunds concepts much more quickly than before.

The screenshot displays the NirvanaSystems website interface. At the top, the logo "NirvanaSystems" is on the left, and the tagline "YOUR PATH TO TRADING SUCCESS STARTS HERE" is on the right. A navigation bar below the logo includes links for HOME, STORE, TRADING TECH, INVESTING TECH, RECENT VIDEOS, TRAINING, and ABOUT US. A breadcrumb trail reads "Home >> ATM: Higher Returns, Less Risk." The main banner features the text "ATM: Higher Returns. Less Risk." in large white font against a blue background with abstract geometric shapes. Below the banner, a secondary navigation bar lists "ATM", "ATM METHODS", "VIDEOS", and "BLOG". The content area below this bar has the heading "Discover the Difference ATM Can Make:" followed by the text "In Just 3 minutes, see how Market States, Trade Ranking, and Smart Allocation can achieve this goal!". A video player is embedded, showing a financial chart with the text "ADAPTIVE TRADE MANAGEMENT SYSTEM" overlaid. The video player controls at the bottom show a progress bar at 0:00 / 2:51.

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

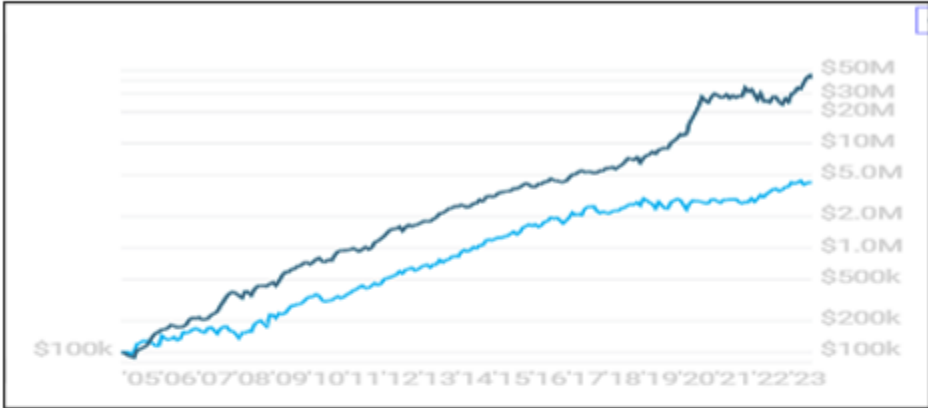
We are continuing to make changes for an **Alpha Release** in November.

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

New OmniFund

Show Portfolio List with Statistics and Check Boxes

OmniFund Name:

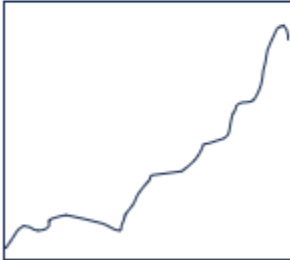


Data: All 10 years 5 Years 1 Year 6 months 3 Months 1 Month YTD
Curves: Individual Portfolios Composite Curve Stock Market

Available Portfolios (2 selected):

Filter: Average Return > Average Draw Down < Calmar >

| S | ID | Portfolio | APR | AMD | Calmar |
|-------------------------------------|-----|-------------------|-----|-----|--------|
| <input type="checkbox"/> | 138 | Conservative ETFs | 72 | 10 | 7.2 |
| <input checked="" type="checkbox"/> | 145 | Defensive Stocks | 35 | 6 | 5.8 |
| <input type="checkbox"/> | 175 | US Stocks | 125 | 16 | 7.8 |
| <input checked="" type="checkbox"/> | 132 | Global ETFs | 72 | 10 | 7.2 |
| <input type="checkbox"/> | 231 | Bear Market ETFs | 102 | 23 | 4.4 |
| <input checked="" type="checkbox"/> | 102 | Tech Stocks | 65 | 5 | 13.0 |
| <input type="checkbox"/> | 271 | Consumer Stocks | 40 | 10 | 4.0 |



Max Portfolios to Trade: [3]
Max Positions: [20]



OmniFunds

Because Returns Matter.





OmniFunds

