FORESIGHT HOLDINGS

EXPEDITED STRATEGY ROLLOUT: A PHASED APPROACH TO LIVE DEPLOYMENT

At Foresight, we emphasize the balance between speed and discipline in deploying new quantitative strategies. Our upcoming algorithmic model will follow a three-phase, three-month rollout, designed to validate performance, manage risk, and scale capital responsibly.

June 1, 2025

Phase 1: Paper Trading & Signal Validation (Month 1)

We begin with a 30-day paper trading period, using live market data to replicate execution conditions. The strategy will be benchmarked against the following criteria:

- Sharpe Ratio Target: 1.49 (backtested actual)

- Max Drawdown: 12.96% equity | 12.44% balance

- Profit Factor: 1.22

- Recovery Factor: 6.55

- Total Trades: 6,035 (49.7% win rate, positive expectancy)

This phase also enables stress testing of slippage, fill rates, latency, and trade sizing logic. Any refinements to execution modules will be finalized here.

Phase 2: GP Capital Deployment (Month 2)

Pending successful paper trading performance, we will move into live deployment using internal General Partner funds and early external capital. Initial allocation includes:

- Proprietary GP capital

- $10,000 in committed seed funding

- Pilot crowd-sourced capital from aligned contributors

Full transparency begins here, including:

- Daily NAV reporting

- Position exposure tracking

- Live execution logs and slippage analysis

Real-world performance will be closely monitored for tracking error vs. backtest benchmarks.

Phase 3: External LP Capital Raise & Scaled Allocation (Month 3)

After one month of stable live trading and verified performance, we will initiate broader outreach to prospective LPs. This includes:

- Distribution of updated investor deck with verified results

- Optional feeder/SPV access structures

- Administrator-ready trade and valuation reporting

Capital deployment will be scaled methodically, in proportion to market liquidity, model robustness, and operational bandwidth.

Performance Context

The strategy, when tested over 8 million ticks and 33,682 bars with 99% data quality, produced a net return of $106,660.24 on a $50,000 deposit (+213% ROI). Max drawdown stayed below 13%, and the Sharpe ratio of 1.49 reflects favorable risk-adjusted returns. A recovery factor of 6.55 and over 6,000 trades further support the depth and durability of the model.

Summary

This expedited yet controlled rollout structure ensures that capital is only deployed as real performance milestones are achieved. By moving from paper trading to GP funding and finally to external capital, we demonstrate discipline, adaptability, and commitment to delivering repeatable alpha within a robust risk framework.