

A decorative graphic consisting of a grid of squares. The grid is composed of 20 squares arranged in a pattern that roughly forms a cross. The squares are colored in various shades: grey, red, blue, yellow, and orange. The title 'SIFT Monthly Report' is positioned to the right of the grid.

SIFT Monthly Report



SMART INVESTMENT FUND

Smart **Blockchain** Trading and Managed Investment Portfolio

Website: SmartIFT.com
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May 2020

Monthly Summary

They key financials for this month are (in USD unless otherwise stated):

Total Profit		24,094.02		
Fees		2,927.42		
Dividend		8,294.37	0.011482 per sift	
Tax		4,577.86		
	1-05-2020	31-05-2020		
Fund value	1,616,773.48	1,625,067.85	8,294.37	+0.51%
DD Forex 1	218,755.41	226,552.06	7,796.65	+3.56%
DD Forex 2	228.05	2,341.67	2,113.62	+926.82%
DD Crypto pos	302,741.14	302,250.05	-491.09	-0.16%
AUM	1,095,276.93	1,096,265.74	988.81	+0.09%
Per sift	1.5162	1.5175	0.0014	+0.09%

Profit breakdown		vs fund value	vs aum	Vs allocation	Vs equity
Crypto	0.00	0.00	0.00%	0.00%	0.00%
Forex 1	6,436.60	0.40%	0.59%	2,76% (451,924)	2.37% (233,169)
Forex 2	646.55	0.00%	0.06%	2.6% (25,065)	2.58% (24,837)
Other	17,010.87	1.05%	1.55%		
Total	24,094.02	1.49%	2.20%		

This puts the fund in the following position (in USD unless otherwise stated):

Profit (Total)	376,400.80
ROI¹ (Total)	26.2%*
Dividend per sift	0.2594

¹ Assumes investment during ICO and excludes the 15% fee taken post-ICO for operating costs

Report includes:

- Market and trading update
- Development update
- Reporting statement, refinements, and expansion
- Overnight Forex trades. Progress
- System improvements and results
- Business update
- Structure change to minimize tax burden on Corporate
- Bot trading has been disabled but some trades were left running erroneously by the system. They are being managed manually

Details

Welcome to our May Business Report. The pandemic and related shut downs continue to affect nearly every part of our business. It was a very slow couple of months in terms of progress on several fronts, but some excellent progress was made both on the trading side as well as the business side. We hope that you are staying safe and healthy. There were some issues related to payments and gas prices last month. Gas prices are still quite high so we are working out a way to do them more seamlessly and without issue.

Market and trading update

Markets continue to be extremely volatile with news of the pandemic and the political disruptions in the US. We will continue to see volatility in the month of June as a result. Volatility is something our systems handle well so this is not a concern for us on the trading side.

Development update

Development continues to be slow. Progress was made but we're still not where we'd like to be. The developer like everyone is dealing with lockdowns and increased load personally that working from home is adding.

Reporting statement, refinements, and expansion

Monthly reporting has always been based on the full value of the fund of course, but due to position building and automation failures early on, the full

fund value has not yet been fully utilized. The reporting has been expanded to better reflect our actual results. We now report profits (and losses) vs. the actual amount available for trading in addition to the full value. The new reporting makes it much easier for everyone to see how we are *doing* in regard to performance targets. One additional note regarding position building that comes up quite a bit in direct messages I wanted to reiterate again in this month's report. We closed out the complete position we were holding in BTC a while back. I wanted to revisit this trade as it illustrates how we can "trade out" of the position building disaster at a profit. As you likely know, Guy purchased some BTC for the position building around 18k and even though BTC never again hit 18k, we were able to close these positions at a profit using combinations of smaller trades back and forth as well as scaling in at lower levels. The longer term/position building trades do *not* need to go back to the original level purchased in order to profit. That is a question I get quite a bit where people are concerned and confused about how we'll get out of those positions. I felt using BTC as an example since we've done that shows how this is possible.

Hiring and training a trader for overnight Forex trades. Progress update.

Overall Jelle continues to do well with the trading. There were some miscommunications and misunderstandings in handling a loss initially but overall, he's done well. We are likely going to increase the trading capital for the overnight trading sometime in June. Jelle's results for the month were \$646.55. It doesn't sound like a lot of course but please note that he trades with very small lot sizes (0.1 and 0.25 later the month). To get a better idea of what's possible, consider the results at proper sizes and full month would more likely be between 8K and 15K. As we go forward and the results improve, we'll ramp up the amount he is trading with.

System Improvements and results.

All of the development delays with automation has forced us to revisit some older methods. The systems being corrected to pre Guy days has allowed me to start using methods and concepts I developed over the years for clients that served them well, instead of testing and fixing the issues. One such method has taken a bit of my time the last few months but was well worth it. There have been roughly 100 trades using this method. All hit targets except for

four. One is still open. The targets are typically 25% but occasionally depending on the signal and market conditions, 10-15% is used. In the last two weeks, the trades numbered 30 with no failures. Again one is still open. Risk and targets are defined ahead of the trade ever being opened as well. This method is my main focus of trading during the day since it is used only in the NY session. The results of the testing is being distributed with the monthly results (reported as other). It was done with personal funds but I felt it was unfair to withhold it as it took a lot of time that otherwise would have been spent trading for the investors.

Business update

Due to my own and others inability to get a lot done with the shutdowns there has not been any progress on the business side. Many offices and professionals are not available due to the lock downs occurring in many parts of the world. Filing deadlines have been postponed in both the UK and in Germany so that gives a us a little more time in that regard.

One major development is the work I have been doing to minimize the tax burden for the company. I am in the process of setting up a structure similar to the RAIF that will allow us to pass the profits tax free. The setup should be completed the second week of June. Full details will be included with the quarterly report.

As reported previously, automated trading on crypto and forex is completely disabled but older trades are still open. These will retain the auto trader status when closed.

* The total profit and profit percentages, dividends, etc for this month include the new reporting values in addition to the full values.