

A decorative graphic consisting of a grid of squares. The grid is 5 squares wide and 8 squares high. The top two rows are entirely grey. The third row has the first square grey and the second square grey. The fourth row has the first square grey, the second square red, and the third square blue. The fifth row has the first square grey, the second square yellow, the third square orange, and the next three squares grey. The sixth row has the first square grey, the second square grey, and the next three squares grey. The seventh row has all five squares grey. The eighth row has the first square grey, the second square grey, and the next three squares grey. The text 'SIFT Monthly Report' is positioned to the right of the grid, overlapping the third and fourth rows.

SIFT Monthly Report



SMART INVESTMENT FUND

Smart **Blockchain** Trading and Managed Investment Portfolio

Website: SmartIFT.com
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January 2020

Monthly Summary

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

Total Profit		11,032.05		
Fees		1,340.39		
Dividend		3,797.78	0.005257 per sift	
Tax		2,096.05		
	At start month	Start new month		
Fund value	1,601,877.70	1,605,675.48	+3,797.78	+0.24%
Drawdown Forex	146,312.31	167,701.29	21,388.98	14.62%
DD Crypto pos	317,037.31	293,501.67	-23,536.32	-7.42%
AUM	1,138,527.40	1,144,472.52	+5,945.12	+0.52%
Per sift	1.5760	1.5843	+0.0082	+0.52%

Profit breakdown		vs fund value 1,601,877.70	vs aum 1,138,527.40	Vs allocation 440,556.10	Vs equity 294,243.79
Crypto	0.00	0.00	0.00%	0.00%	0.00%
Forex	11,032.05	0.69%	0.97%	2.50%	3.75%
Total	11,032.05	0.69%	0.97%		

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

Profit (Total)	363,122.25
ROI¹ (Total)	25.27%*
Dividend per sift	0.2325

Report includes:

- Market and trading update.
- Development update.
- Reporting statement, refinements, and expansion.
- Hiring and training a trader for overnight Forex trades
- Business update.
- Bot trading has been disabled but some trades were left running erroneously by the system. They are being managed manually.

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

Details

Welcome to our January Business Report.

We have had some significant changes since the last report. Markets were a bit more controlled after finalisation around Brexit. The GBP saw a volatile couple of days toward the end of the month which helped our numbers towards the end of reporting period. Declines in EUR and AUD continue to weigh on DD number and overall was flat as a result. Looking forward, Chinese markets are undergoing a bit of stress with the Corona Virus fears. Most markets haven't fully factored in the effects of the virus and resulting shutdowns of large parts of their manufacturing and markets. We should quite a bit of volatility in the month of February as these risks or lack thereof become more apparent.

The developer returned towards the end of January and communication has resumed on several fronts. We made a tremendous amount of progress in a very short time last year and we fully expect to finish several items needed on the development side in similar fashion going forward.

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.

I am discussing with Jelle the possibility of him taking trades overnight and will start training him on the system to potentially take over overnight duties while we await full automation and or in case automation development isn't completed within a reason time again.

Now that a fair amount of development and banking issues are resolved, we will start to move focus on resolving our tax burden and the RAIF situation. We will look at several options to reduce our tax burden for both the company and its clients and also to recover funds lost by the original founder when setting up the RAIF initially. Full accounting will be done the first quarter of the new year and once completed will be reported in the broadcast channel.

Looking forward we expect to continue to grow the value for our clients both near term, and longer term.

We have a few new proposals regarding how the fund is managed that we feel will better serve our clients in the near term as we shift focus from correcting, to building, and growing. I am again asking for feedback on the following proposals from last report. Increase dividends with the held capital, for a time. Currently the profit, after taxes and fees, is split 50%/50% in dividend and fund growth. We propose a 75% / 25% split for the time being until we hit a set milestone or trigger to switch back. Switch from monthly dividends to quarterly so that we can reach milestones such as the one proposed a bit faster. For this second proposal, there is a risk that any rise in ETH would not be participated in for those that prefer to hold monthly dividends in eth. That is something to consider. We could opt back to the original structure at any time or after an agreed milestone such as a date, or capital level.

Redemptions and buy backs are still planned but there are a few things to discuss further. We have set a potential deadline of roughly 6 months to get the fund on track. If not we are considering strongly to shut the fund down. On track means a record of decent profits (Not hard numbers as there are too many variables and it's impossible to know what happens going forward) That said, we have shown the targets are met and we have averaged slightly more each month since the reporting was changed. We have hit the targets based on what's available to trade so there should be no doubt that we can do what we said we could. Anyone that says I didn't hit the target because it was not based on full AUM when the full value of the fund is not able to be utilized is being disingenuous and unrealistic. That

said the targets are a guideline not a hard number. The guideline as spelled out in the paper was based on our experience and real-world results which again, we have shown is able to be done. I do understand some of you would like to see the profit based on the full AUM. This is simply not possible with what is available to trade and the risk that would entail. As we continue to move funds, we'll increase positions/trade sizes and the results should scale up as a result. We understand some of you would like to cut your investment down or completely through a redemption. This would be done at a massive penalty if requested prior to winding down the fund completely. You could sell on the exchange as many have without many issues. Wait until the fund closes and get NAV or earlier with a penalty.

We will have the channel open for a few days after the report is released to discuss. When closed for chat James and Jelle are still reachable on Telegram in person for urgent matters.

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. The 3.75% listed in the table above comes from the profit vs the actual amount available to trade.