

A decorative graphic consisting of a grid of squares. The grid is 5 squares wide and 8 squares high. The squares are arranged in a pattern that resembles a stylized 'S' or a series of connected lines. The colors of the squares are: Row 1: Gray, Gray; Row 2: Gray, Gray; Row 3: Gray, Gray; Row 4: Gray, Red, Blue; Row 5: Yellow, Orange, Gray, Gray, Gray; Row 6: Gray; Row 7: Gray, Gray, Gray, Gray, Gray; Row 8: Gray, Gray.

SIFT Monthly Report



SMART INVESTMENT FUND
Smart **Blockchain** Trading and Managed Investment Portfolio

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March 2018

Monthly Summary

Trading in the **March 2018** period saw a **profit of \$8,564.73 after tax**. As no fees are currently due this gives a distributable profit of \$4,282.36 and a **dividend-per-SIFT of 0.592 cents**. Those that hold SIFT in their own wallet (and not in EtherDelta or ForkDelta) or in Zapple (including in open sell orders) as of April 4th at 10:00 GMT will be eligible for dividend payments. The conversion rate will be based upon the value of ETHUSD at this time. Dividends will be paid over a 24-hour period and should all be paid by 10:00 GMT the following day.

This is a monthly **profit of 0.56%**.

Key points for this month's news:

- A profit of \$8,564.73 was from forex trading
- No digital currency trades were closed
- Automated trade entries will commence in week of 9th April
- The Zapple exchange was launched in March and you can now swap your old SIFT for new SIFT that is cheaper to transfer and allows you to receive dividends whilst holding it in the Zapple exchange
- There will be no YouTube live stream this month
- Forex trading will start to increase substantially over the next few months

Detailed Report

A lot of time was taken in March with Guy and James meeting in person for two weeks and refining Smart VSA's algorithms and doing more work around automated entries into digital currencies. This led to a reduction in trading in the first half of the month.

The digital currency markets have continued to only show signals that we trade upon at times when James is not covering trades. As

such no trades were entered this month. Automated entries will commence in the second week of April. Initially these will be with small amounts of \$10,000 per trade. Forward-testing this system since 13th March has yielded a win-rate of 62% on trades and an overall profit of \$1,131.53 on \$10,000 per trade amounts to give an idea of expectations for what this may mean for April. It is worth noting that during forward testing the system ran 24x7 completely autonomously whereas it will be used mainly only to capture out-of-hours entries during live trading.

We are currently working on capturing more regular moves in our forex system. Whilst manually trading is yielding a good percentage of the account balance (7.83% in March) there are still additional moves we could capture to increase the monthly yield based on account balance. We will have news of this within the next two months.

SIFT's performance has been a disappointment to many investors who expected SIFT to outperform simply holding digital currency during moves in Q3/Q4 2017 and who expected SIFT to profit hugely from short opportunities in Q1 2018. Thus far, excluding open positions, the fund has grown respectably but not in line with our initial expectations in digital currency. The announcements made since Q2 2017 affecting the legal status of digital currencies in various territories has had a significant impact on how many signals Smart VSA detects in digital currency markets. Our forex analysis has continued to perform exceptionally. So that SIFT-holders can best benefit we will be switching most of our trading to forex for the foreseeable future. This will mean a move of funds into forex trading accounts reducing the trading funds available for digital currencies.

We plan to slightly increase our forex trading balances in April to \$200,000. As soon as the RAIF is approved we will be looking at trading approximately \$750,000 in forex. If the RAIF looks as though

we will have further delays getting banking facilities approved, we will increase the balances further in our current trading accounts in May.

We will continue to work on the automated trade entry system for digital currency trades, increase trade amounts where appropriate, analyse market making opportunities with current position-building digital currency holdings and look towards arbitrage as originally planned. The main difference is that we will be holding far less USD/EUR/GBP value in digital currency accounts for manual trades once funds are moved until such a point that we determine our algorithms are producing as many entry opportunities as they were in H1 2017.

We have decided to replace the monthly YouTube live stream with a quarterly one in March, June, September and December. The viewing figures have steadily decreased, and live participation has been almost non-existent in the past two streams. We will still run these streams once per quarter and if anybody has questions in the interim they can e-mail these to ico@smartift.com for a response or raise the question in the SIFT Telegram channel for a detailed response. If we receive general fund-related questions to ico@smartift.com we will share the answers with our Telegram channel as well so that the whole of the SIFT community are made aware.