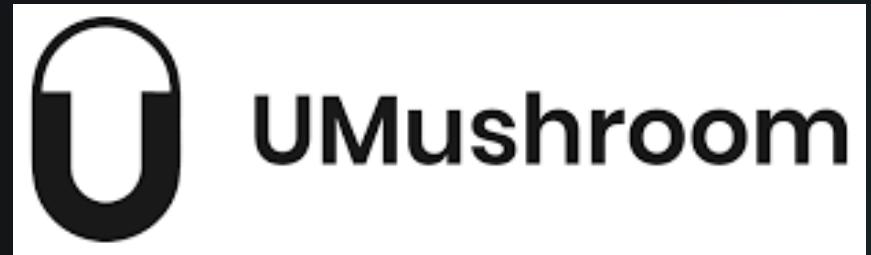


# Team Overview



Jamie Jia  
Jing Teh

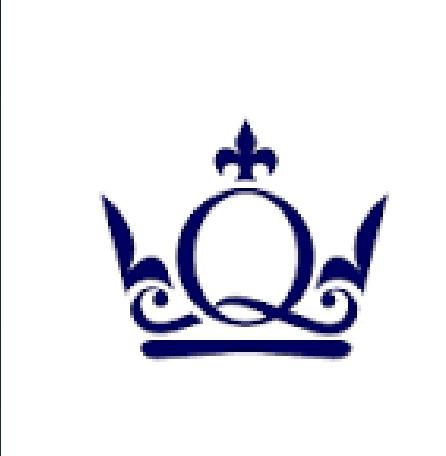


Shivesh  
Lochunah

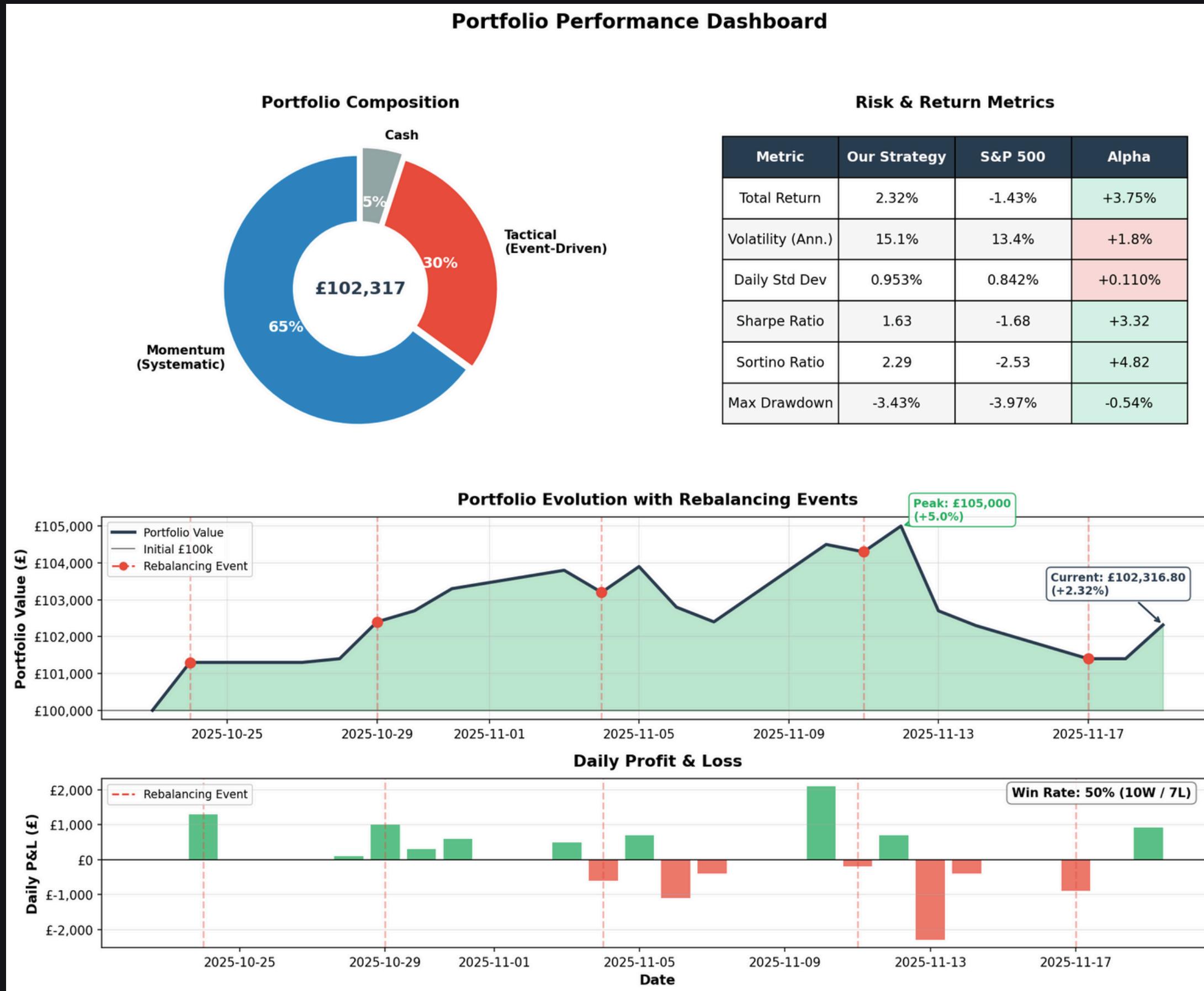
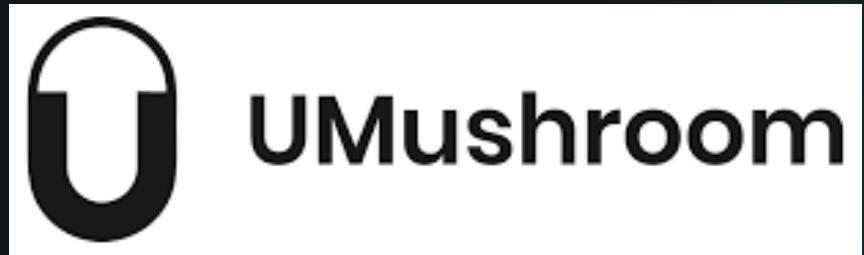


Mehmet  
John Evans

*We treat volatility like a spicy curry: Handle with care!*

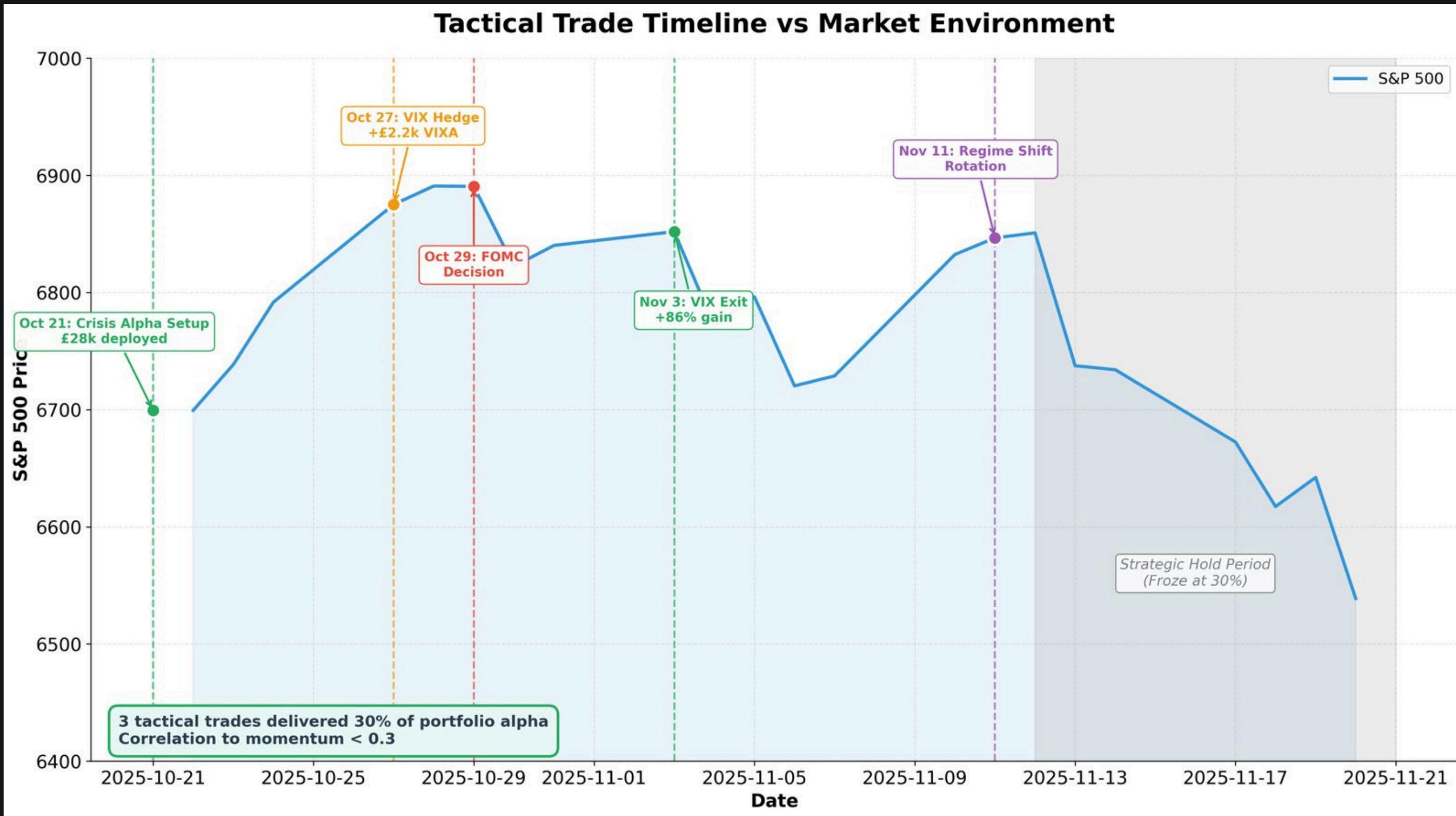
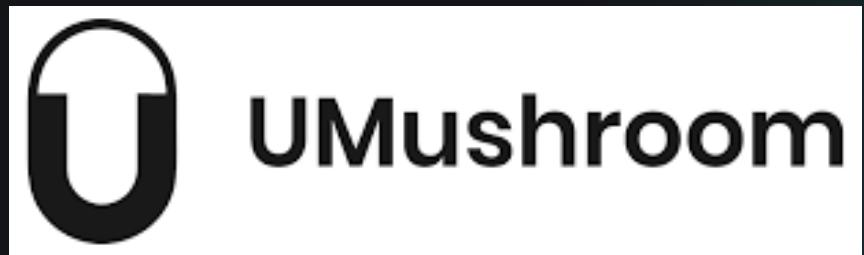


# Professional Overview



- **Strategy:** 65% Systematic Momentum / 30% Tactical Macro / 5% Cash
- **Objective:** Capture healthy trends through momentum sleeve + volatility hedges and uncorrelated diversification through tactical sleeve
- **Performance:** 2.32% in 4 weeks (34.82% annualised) Return – 1.63 Sharpe Ratio
- **Edge:** Trend-adaptive algorithm with event-driven and diversified hedges

# Macro Deep Dive



## KEY TACTICAL MOVES

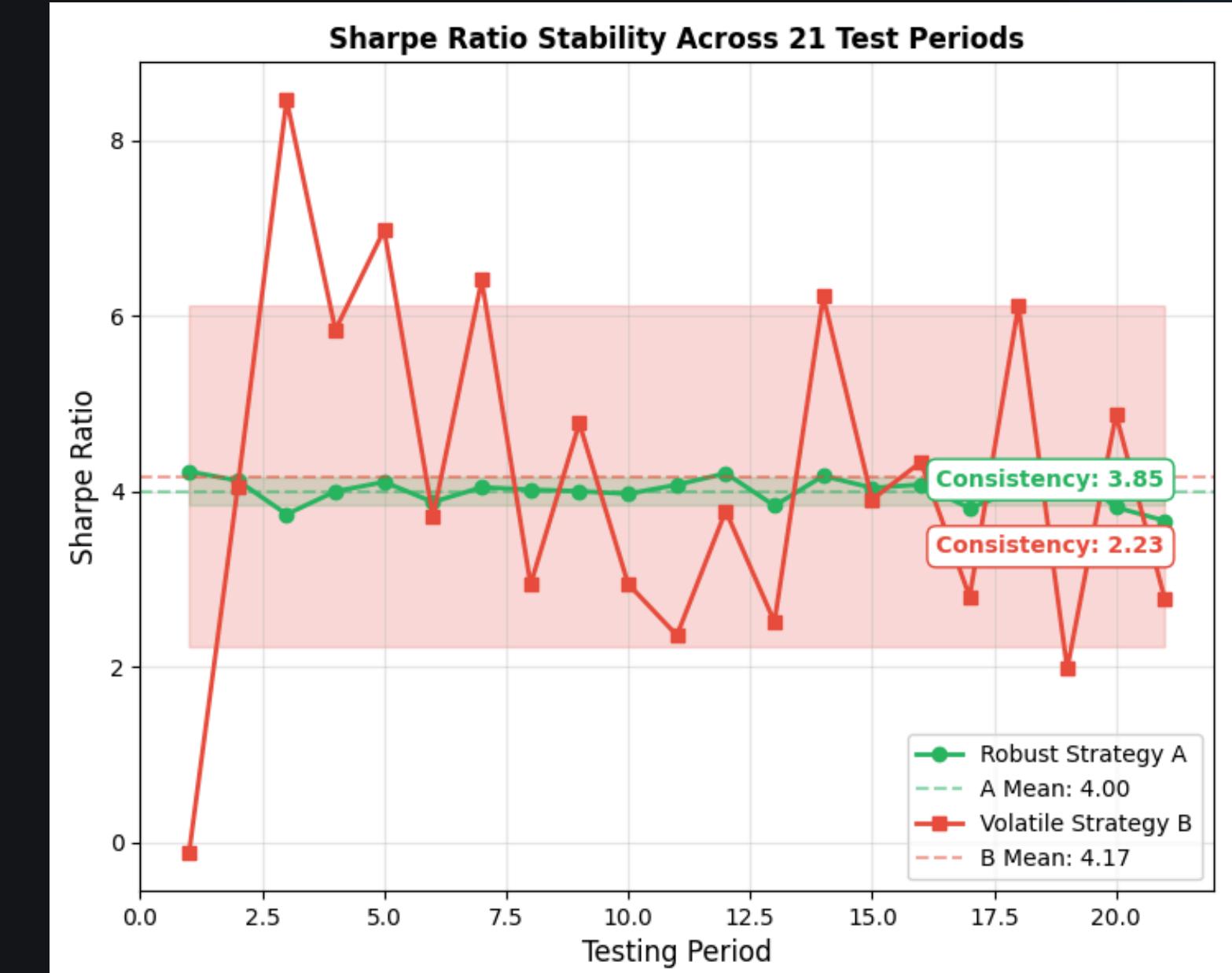
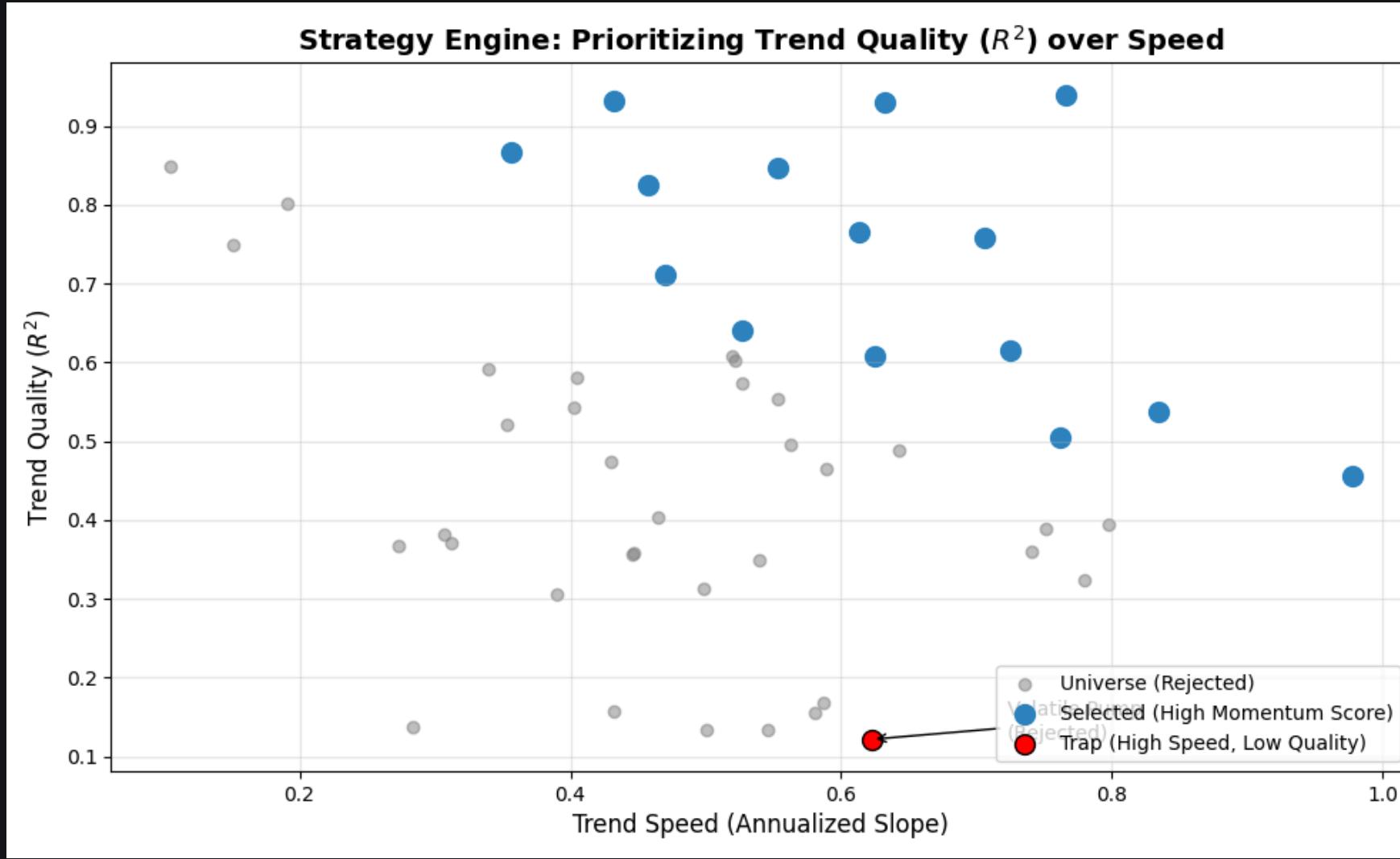
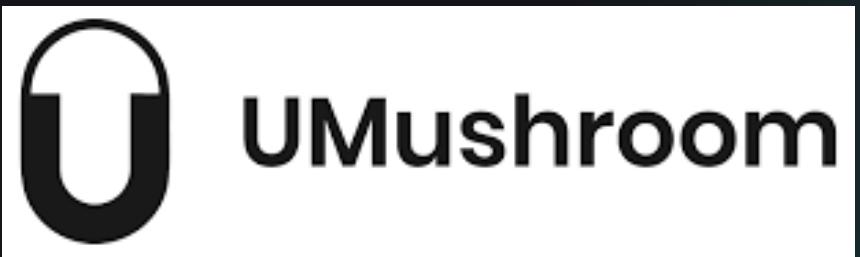
- Oct 21: Deployed £28k hedge → VIX, Gold, Managed Futures
- Oct 27: Added £2.2k VIX insurance → 2 days before Fed meeting
- Nov 3: Cashed out VIX at +86% → Cut gold as dollar (DXY) rose
- Nov 11: Full rotation → Out: DBMF, AQR → In: Treasuries, China, Japan

## WHY IT WORKED:

- Anticipated the Fed surprise (hedged before Oct 29)
- Reacted to data, not hope (cut gold when dollar rose)
- Adapted to regime change (pivoted when trends died)

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# Strategy Rationale



- Signal: Linear regression on 14-day log prices
- Filter:  $R^2$  weighting penalises high-volatility "noise"
- Execution: T+2 settlement delay modeled for realism
- Selection: Top 15 stocks, Equal-Weighted, 4-day rebalance

**Real-World Example:**

Strategy A	Strategy B
✓ Strategy A: Sharpe = [4.0, 4.2, 3.8, 4.1] → Mean = 4.0 → StdDev = 0.17 → Consistency = 4.0 - 0.17 = 3.83 ✓	✗ Strategy B: Sharpe = [6.0, 2.0, 5.0, 1.0] → Mean = 3.5 → StdDev = 2.08 → Consistency = 3.5 - 2.08 = 1.42 ✗

Strategy A is more ROBUST despite lower peak.

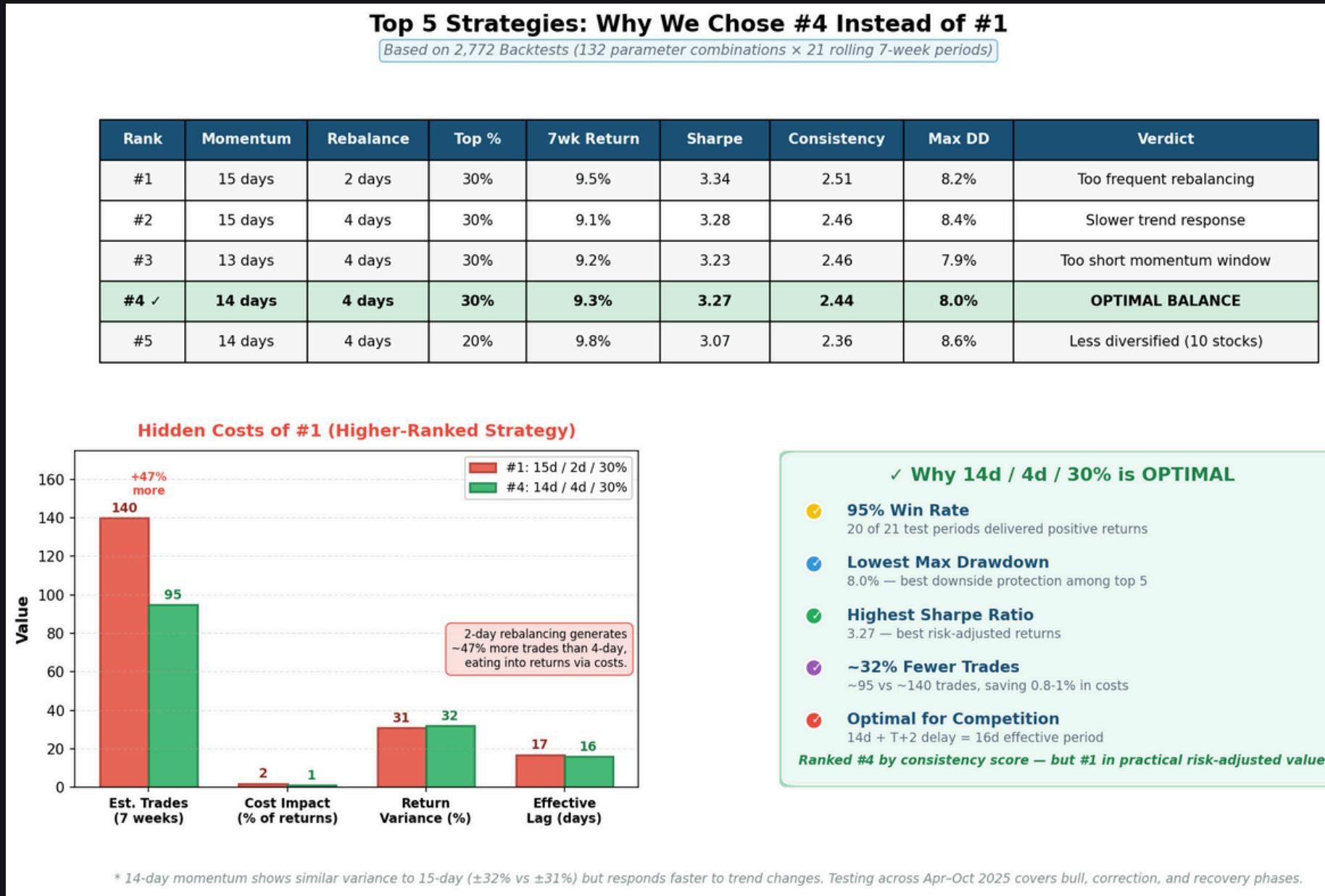
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# Valuation & Selection

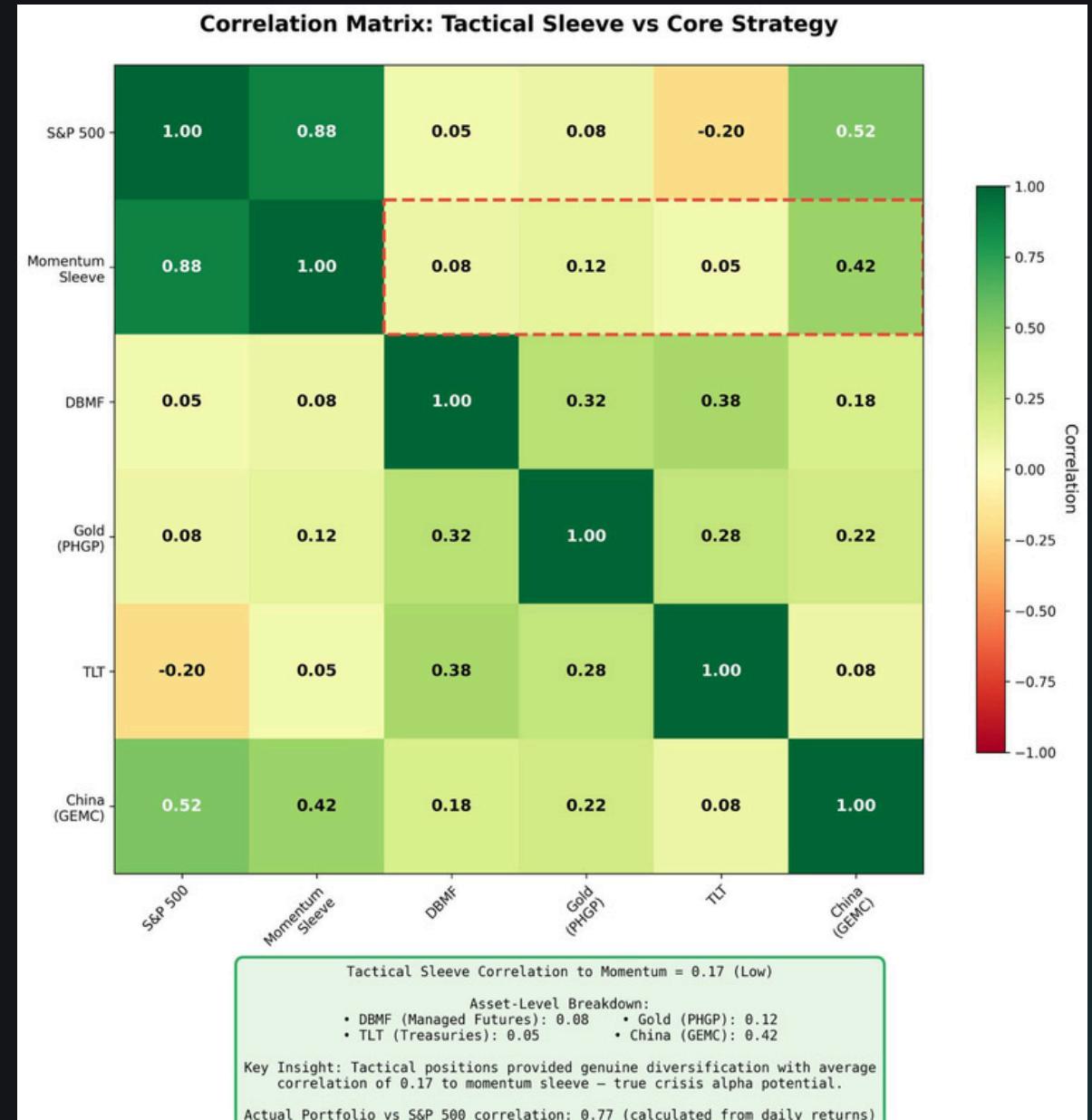


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## Momentum



## Tactical



- 2,772 Tests: We selected our parameters based on massive data validation, not guesswork.
- Cost Trap: The bar chart shows the #1 strategy traded 47% more, wasting capital on transaction fees.
- Optimal Pick: We chose the strategy that delivered high returns with 32% less trading activity.

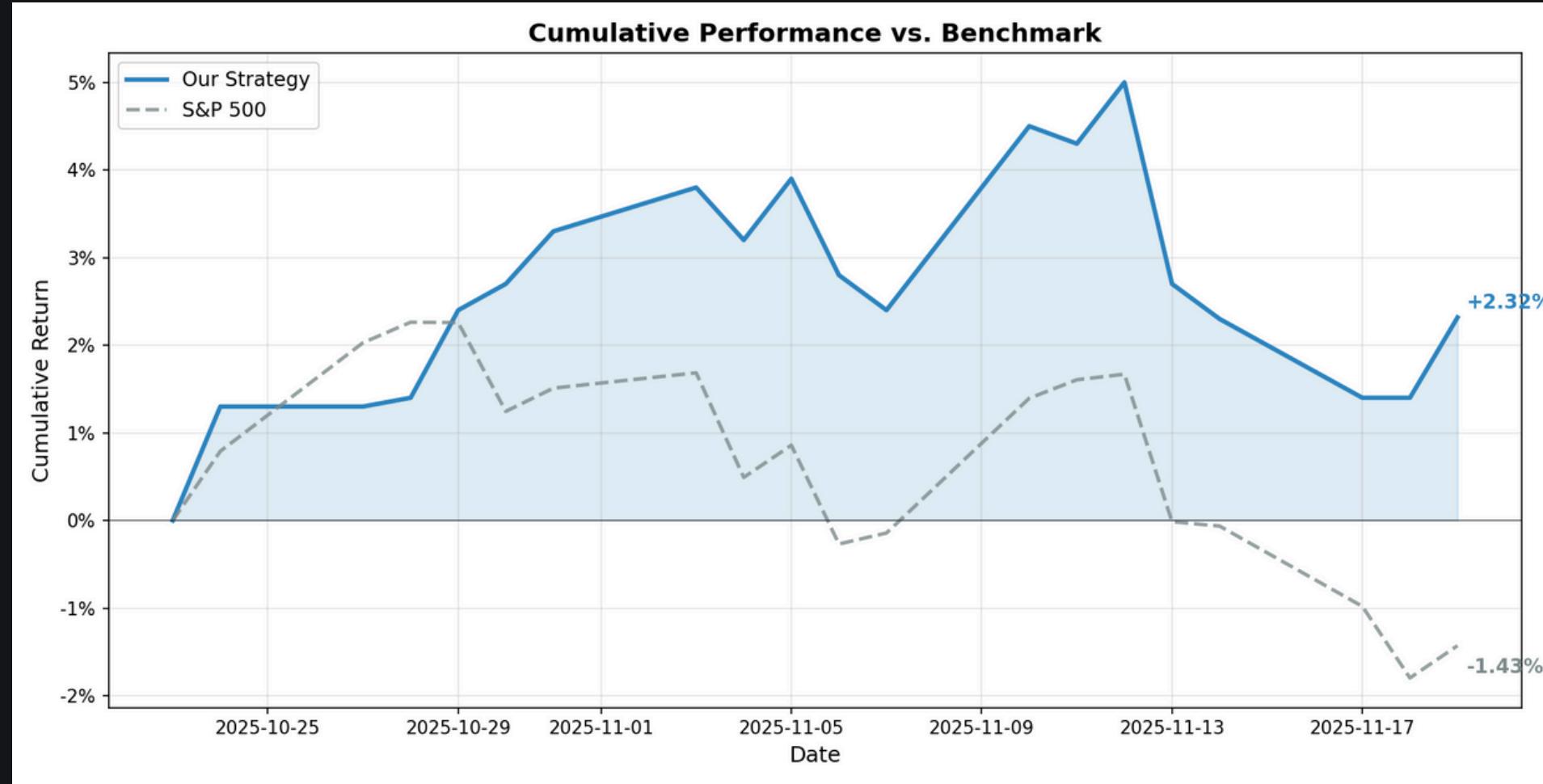
- Average Correlation = 0.17 Our strategies don't move together; they're not correlated.
- Crisis Alpha: We used Bonds and Futures to provide protection that ignores stock market crashes, also diversifying with Asian markets and Gold.
- Optimal Beta = 0.77 We capture the market's upside but maintain enough independence to outperform.

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# Performance & Benchmark

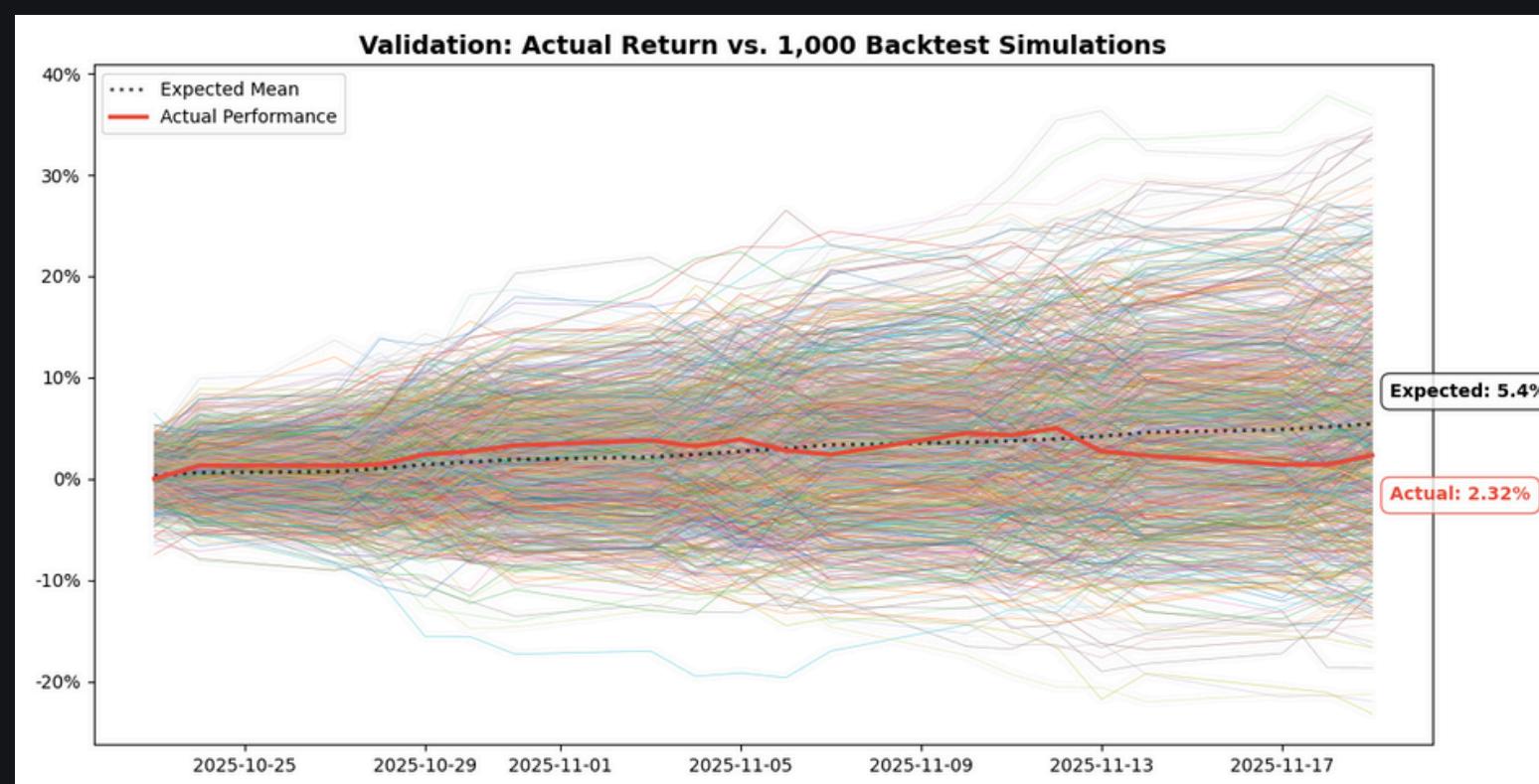


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## Strategy vs. Benchmark Comparison

- **October Outperformance:** High-beta Momentum allocation captured the "AI & Tech" rally (NVDA, APP, PLTR) more aggressively than the diversified index.
- **Mid-Nov Drawdown (11-16 Nov):** Portfolio fell sharper than S&P 500 due to "Tech-to-Value" sector rotation; broadly diversified index was buffered by Energy/Financials while our concentrated Tech exposure retreated.
- **Stabilisation (post-17 Nov):** Systematic rotation into "Defensive Quality" (Healthcare/Staples).



## Key Insights from Relative Performance

- **Momentum is Double-Edged:** Concentration in "winners" generates Alpha in trending markets but suffers outsized Beta during sudden sector rotations.
- **Regime Detection Works:** The R2 filter successfully identified "Trend Quality" deterioration in Tech on Nov 17, triggering a defensive pivot before further volatility.
- **Tactical Decorrelation:** Gold and Managed Futures provided stability during the equity drawdown, proving the "Crisis Alpha" thesis.

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# Evaluation



## Netflix Incident

- The model correctly identified the 14-day price trend but was blind to the external shock of a \$619M Brazil tax settlement.
- We decided to not realise the 10% loss after the dip, hoping it would come back up. Not listening to our model was a mistake.



## Execution Delay & Competition Period

- We spent the first week of the competition testing execution delays and backtesting based on what we observed.
- Our parameters were optimised for a T+2 delay, but we noticed some orders would get filled on the day, and some would take an extra day or two. We hadn't modelled 'random' execution order times into our momentum model.

# Thank You



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