**Trading Constitution**

Directive

This document serves to elucidate on the strategies employed.

**Stock**

1.0 Overview

1.0.1

The stock portfolio is meant to be a fully diversified holding of blue chips in each sector as well as fund ETFs which can be fully hedged by offshore futures.

* 1. Entrance
     1. Entrance is to be made in the PM.
     2. Entrance is to be made on the day after a low closer.
  2. Exit
     1. Exit is to be made at the close.

1.2.2 Exit is to be made at the end of an up day.

* 1. Stock Universe

1.3.1 ETFs (due to no stamp duty)

1.3.2 Blue chips of each industry

1.3.3 Daily screen of high YTD sharpe ratio stocks

**Futures**

1.0 Overview

The futures should take advantage of market mispricing and serve as a hedging tool for the stock portfolio.

* 1. Strategies
     1. Crash days – accumulate futures in deep discount.
     2. Negative PMCO autocorrelation – accumulate when previous PM was negative.
  2. Position Sizing
     1. First principle: should not cause stress.
     2. Sizing should be consistent with sharpe ratio of the strategy

1.3