TREX Trading Method with no Money Management

One Contract per trading signal

Summary	
Total Return	$790,095.40
Total Realized Return	$773,129.78
Gross Profit	$2,245,907.54
Gross Loss	($1,472,777.76)
Open Trade P/L	$16,965.63
Number of Trades	1648
Number of Winning Trades	714
Number of Losing Trades	930
% Profitable	43.33%
Average Trade	$469.13
Average Trade (%)	1.19%
Standard Deviation Trade	$3,772.73
Standard Deviation Trade (%)	18.62%
Largest Winning Trade	$47,070.00
Largest Losing Trade	($13,720.00)
Profit Factor	1.52
Average Win / Average Loss	1.99
Sharpe Ratio	0.0911
K-Ratio	0.1076
Return Retracement Ratio	2.1983
Compounded Annual Return	10.25%
Compounded Monthly Return	0.81%
Average Annual Return	$32,920.64
Average Annual Return (%)	10.35%
Average Monthly Return	$2,926.28
Average Monthly Return (%)	0.87%
Percent Days Profitable	52.92%
Percent Months Profitable	56.67%
Percent Years Profitable	79.17%
Commissions on Futures	$82,550.00
Commissions on Currencies	$0.00
Commissions on Equities	$0.00
Total Commissions	$82,550.00

Strategy Analysis	
Total Return	$790,095.40
Total Realized Return	$773,129.78
Gross Profit	$2,245,907.54
Gross Loss	($1,472,777.76)
Open Trade P/L	$16,965.63
Number of Trades	1648
Number of Symbols Traded	19 out of 19
Average Trade	$469.13
Standard Deviation	$3,772.73
Average Trade (%)	1.19%
Standard Deviation	18.62%
Average Trade Length	36.92 days
Winning Trades	$2,245,907.54
Number of Winning Trades	714
Average Win	$3,145.53
Percent of Winning Trades	43.33%
Maximum Consecutive Wins	10
Largest Winning Trade	$47,070.00
Largest Winning Trade (%)	540.06%
Average Winning Trade Length	55.93 days
Losing Trades	($1,472,777.76)
Number of Losing Trades	930
Average Loss	($1,583.63)
Percent of Losing Trades	56.43%
Maximum Consecutive Losses	12
Largest Losing Trade	($13,720.00)
Largest Losing Trade (%)	-212.02%
Average Losing Trade Length	22.48 days
Commissions on Futures	$82,550.00
Commissions on Currencies	$0.00
Commissions on Equities	$0.00
Total Commissions	$82,550.00

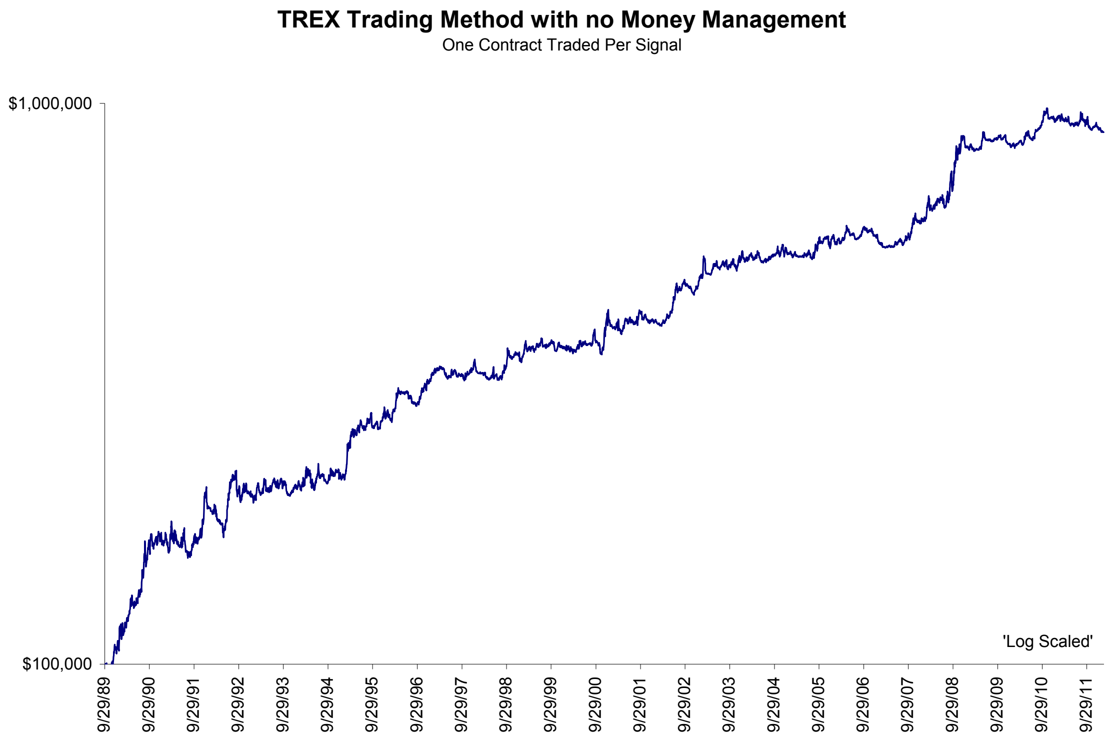
Trade Analysis	
Runups	
(by Amount)	
Maximum	$72,300.00
Date	2/25/2003
Average	$3,249.03
Standard Deviation	$4,957.33
(by Percent)	
Maximum	617.24%
Date	8/2/1991
Average	5.68%
Standard Deviation	26.60%
Efficiency Analysis	
Efficiency	
Total	
Average	-15.30%
Standard Deviation	56.88%
Entry	
Average	58.64%
Standard Deviation	33.53%
Exit	
Average	26.06%
Standard Deviation	27.96%
Profit Factor	1.52
Average Win/Average Loss	1.99
Net Profit/Largest Loss	-56.35
Net Profit/Max Drawdown	56.56
Statistical Analysis	
t-Test	69.867
Significance	Yes

Return Analysis			
Annual Returns	**Amount**	**Amount (%)**	**Percent of Fixed Capital**
Average	$32,920.64	10.35%	32.92%
Standard Deviation	$54,948.61	14.68%	54.95%
Annualized Sharpe Ratio	0.5991		
Monthly Returns			
Average	$2,926.28	0.87%	2.93%
Standard Deviation	$13,442.52	3.46%	13.44%
Weekly Returns			
Average	$675.87	0.20%	0.68%
Standard Deviation	$6,983.07	1.63%	6.98%
Sharpe Ratio	0.0911		
K-Ratio	0.1076		
Return Retracement Ratio	2.1983		
Daily Returns			
Average	$138.59	0.04%	0.14%
Standard Deviation	$3,105.00	0.74%	3.11%
Best 12-month period	$247,324.55	67.64%	247.32%
	starting 1/2/2008	starting 11/1/1989	starting 1/2/2008
Worst 12-month period	($62,314.03)	-6.48%	-62.31%
	starting 11/1/2010	starting 11/1/2010	starting 11/1/2010
Equity Analysis			
Equity Drawdown			
Maximum	$96,740.21	18.83%	96.74%
Maximum Drawdown Date	2/10/2012	5/28/1992	2/10/2012
Average	$5,692.38	1.46%	5.69%
Standard Deviation	$11,372.36	2.54%	11.37%
Equity Runup			
Maximum	$887,785.14	925.54%	887.79%
Maximum Runup Date	11/9/2010	11/9/2010	11/9/2010
Average	$99,013.07	103.21%	99.01%
Standard Deviation	$295,790.22	308.37%	295.79%
Average Time to Recovery	11 days		
Average Time Between Equity Peaks	22 days		
Longest Time Between Equity Peaks	570 days		
Percent Years Profitable	79.17%		
Percent Months Profitable	56.67%		
Percent Weeks Profitable	53.29%		
Percent Days Profitable	52.92%		
Compounded Annual Return	10.25%		
Compounded Monthly Return	0.81%		

Program Settings

Portfolio Name	Sample Portfolio 2
Created using	Portfolio Maestro 3.0.48.0
Base Currency	USD
Initial Capital	$100,000.00
Risk Free Rate	2.00%
Sharpe Period	Weekly
Commissions	Future - 25 per Contract
Slippage	
Start Date	10/1/1989 12:00:00 AM
End Date	2/15/2012 11:59:59 PM
Strategy Group	TREX
Trading Symbols	[Futures]
	@C.C,@CL.C,@CT,@DX,@FC.P,@FV.P,@GC.C,@JY.C,@NG.C,@S.C @SB, @TY.P, @EC.C, @SF.C, @W.C, @US.P, @BP.C, @KW, @LH.C
Ranking	None
Strategy	TREX
Max Bars Study References	50

Equity Curve



Example TREX Trading Method with Money Management

Fixed fractional contract allocation set to 1% risk per trade based on 20 day ATR value.

Summary	
Total Return	$14,815,764.00
Total Realized Return	$13,570,014.03
Gross Profit	$48,581,407.33
Gross Loss	($35,011,393.29)
Open Trade P/L	$1,245,749.97
Number of Trades	1648
Number of Winning Trades	714
Number of Losing Trades	930
% Profitable	43.33%
Average Trade	$8,234.23
Average Trade (%)	1.19%
Standard Deviation Trade	$116,117.51
Standard Deviation Trade (%)	18.62%
Largest Winning Trade	$1,979,751.13
Largest Losing Trade	($1,268,930.45)
Profit Factor	1.39
Average Win / Average Loss	1.81
Sharpe Ratio	0.1101
K-Ratio	0.0458
Return Retracement Ratio	2.0962
Compounded Annual Return	25.04%
Compounded Monthly Return	1.85%
Average Annual Return	$617,323.50
Average Annual Return (%)	26.32%
Average Monthly Return	$54,873.20
Average Monthly Return (%)	2.13%
Percent Days Profitable	53.53%
Percent Months Profitable	54.44%
Percent Years Profitable	79.17%
Commissions on Futures	$2,113,654.87
Commissions on Currencies	$0.00
Commissions on Equities	$0.00
Total Commissions	$2,113,654.87

Strategy Analysis	
Total Return	$14,815,764.00
Total Realized Return	$13,570,014.03
Gross Profit	$48,581,407.33
Gross Loss	($35,011,393.29)
Open Trade P/L	$1,245,749.97
Number of Trades	1648
Number of Symbols Traded	19 out of 19
Average Trade	$8,234.23
Standard Deviation	$116,117.51
Average Trade (%)	1.19%
Standard Deviation	18.62%
Average Trade Length	36.92 days
Winning Trades	$48,581,407.33
Number of Winning Trades	714
Average Win	$68,041.19
Percent of Winning Trades	43.33%
Maximum Consecutive Wins	10
Largest Winning Trade	$1,979,751.13
Largest Winning Trade (%)	540.06%
Average Winning Trade Length	55.93 days
Losing Trades	($35,011,393.29)
Number of Losing Trades	930
Average Loss	($37,646.66)
Percent of Losing Trades	56.43%
Maximum Consecutive Losses	12
Largest Losing Trade	($1,268,930.45)
Largest Losing Trade (%)	-212.02%
Average Losing Trade Length	22.48 days
Commissions on Futures	$2,113,654.87
Commissions on Currencies	$0.00
Commissions on Equities	$0.00
Total Commissions	$2,113,654.87

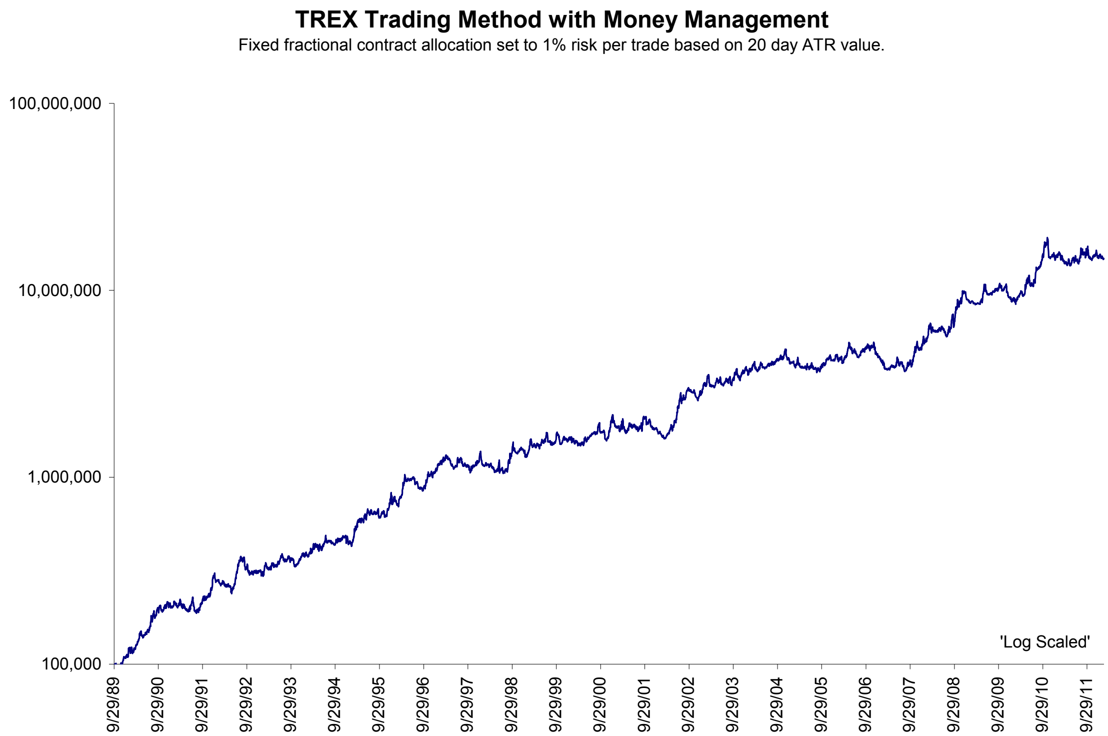
Trade Analysis	
Runups	
(by Amount)	
Maximum	$3,170,390.00
Date	11/10/2010
Average	$72,427.92
Standard Deviation	$158,231.88
(by Percent)	
Maximum	617.24%
Date	8/2/1991
Average	5.68%
Standard Deviation	26.60%
Efficiency Analysis	
Efficiency	
Total	
Average	-15.30%
Standard Deviation	56.88%
Entry	
Average	58.64%
Standard Deviation	33.53%
Exit	
Average	26.06%
Standard Deviation	27.96%
Profit Factor	1.39
Average Win/Average Loss	1.81
Net Profit/Largest Loss	-10.69
Net Profit/Max Drawdown	10.86
Statistical Analysis	
t-Test	599.573
Significance	Yes

Return Analysis			
Annual Returns	**Amount**	**Amount (%)**	**Percent of Fixed Capital**
Average	$617,323.50	26.32%	617.32%
Standard Deviation	$1,530,950.74	30.40%	1,530.95%
Annualized Sharpe Ratio	0.4032		
Monthly Returns			
Average	$54,873.20	2.13%	54.87%
Standard Deviation	$418,589.86	7.43%	418.59%
Weekly Returns			
Average	$12,673.88	0.49%	12.67%
Standard Deviation	$220,628.18	3.55%	220.63%
Sharpe Ratio	0.1101		
K-Ratio	0.0458		
Return Retracement Ratio	2.0962		
Daily Returns			
Average	$2,598.80	0.10%	2.60%
Standard Deviation	$97,882.17	1.59%	97.88%
Best 12-month period	$7,744,236.55	109.64%	7,744.24%
	starting 11/2/2009	starting 3/1/2002	starting 11/2/2009
Worst 12-month period	($3,007,624.86)	-20.33%	-3,007.62%
	starting 11/1/2010	starting 9/1/2006	starting 11/1/2010
Equity Analysis			
Equity Drawdown			
Maximum	$5,834,736.56	30.60%	5,834.74%
Maximum Drawdown Date	4/20/2011	8/16/2007	4/20/2011
Average	$104,114.77	2.94%	104.11%
Standard Deviation	$373,871.56	5.02%	373.87%
Equity Runup			
Maximum	$19,235,517.13	20,171.80%	19,235.52%
Maximum Runup Date	11/9/2010	11/9/2010	11/9/2010
Average	$2,137,829.13	2,241.87%	2,137.83%
Standard Deviation	$6,411,633.05	6,723.72%	6,411.63%
Average Time to Recovery	8 days		
Average Time Between Equity Peaks	18 days		
Longest Time Between Equity Peaks	528 days		
Percent Years Profitable	79.17%		
Percent Months Profitable	54.44%		
Percent Weeks Profitable	55.86%		
Percent Days Profitable	53.53%		
Compounded Annual Return	25.04%		
Compounded Monthly Return	1.85%		

Program Settings

Portfolio Name	Sample Portfolio 2
Created using	Portfolio Maestro 3.0.48.0
Base Currency	USD
Initial Capital	$100,000.00
Risk Free Rate	2.00%
Sharpe Period	Weekly
Commissions	Future - 25 per Contract
Slippage	
Start Date	10/1/1989 12:00:00 AM
End Date	2/15/2012 11:59:59 PM
Strategy Group	TREX
Trading Symbols	[Futures]
	@C.C,@CL.C,@CT,@DX,@FC.P,@FV.P,@GC.C,@JY.C,@NG.C,@S.C @SB, @TY.P, @EC.C, @SF.C, @W.C, @US.P, @BP.C, @KW, @LH.C
Ranking	None
Strategy	TREX
Max Bars Study References	50
Money Management	Fixed Fractional with ATR Risk
Inputs	ATR Lookback=20
	ATR Multiplier=2
	Maximum Contracts=50000
	Percent Risk=0.01

Equity Curve



TREX Trading Method with Money Management

Fixed fractional contract allocation set to 2% risk per trade based on 20 day ATR value.

Summary	Value
Total Return	$609,231,011.12
Total Realized Return	$507,399,290.53
Gross Profit	$2,488,142,253.21
Gross Loss	($1,980,742,962.68)
Open Trade P/L	$101,831,720.60
Number of Trades	1648
Number of Winning Trades	714
Number of Losing Trades	930
% Profitable	43.33%
Average Trade	$307,887.92
Average Trade (%)	1.19%
Standard Deviation Trade	$8,727,408.12
Standard Deviation Trade (%)	18.62%
Largest Winning Trade	$162,694,459.56
Largest Losing Trade	($134,348,015.80)
Profit Factor	1.26
Average Win / Average Loss	1.64
Sharpe Ratio	0.1042
K-Ratio	0.0288
Return Retracement Ratio	2.0692
Compounded Annual Return	47.57%
Compounded Monthly Return	3.25%
Average Annual Return	$25,384,625.46
Average Annual Return (%)	57.41%
Average Monthly Return	$2,256,411.15
Average Monthly Return (%)	4.26%
Percent Days Profitable	53.52%
Percent Months Profitable	54.07%
Percent Years Profitable	75.00%
Commissions on Futures	$97,789,716.95
Commissions on Currencies	$0.00
Commissions on Equities	$0.00
Total Commissions	$97,789,716.95

Strategy Analysis	
Total Return	$609,231,011.12
Total Realized Return	$507,399,290.53
Gross Profit	$2,488,142,253.21
Gross Loss	($1,980,742,962.68)
Open Trade P/L	$101,831,720.60
Number of Trades	1648
Number of Symbols Traded	19 out of 19
Average Trade	$307,887.92
Standard Deviation	$8,727,408.12
Average Trade (%)	1.19%
Standard Deviation	18.62%
Average Trade Length	36.92 days
Winning Trades	$2,488,142,253.21
Number of Winning Trades	714
Average Win	$3,484,793.07
Percent of Winning Trades	43.33%
Maximum Consecutive Wins	10
Largest Winning Trade	$162,694,459.56
Largest Winning Trade (%)	540.06%
Average Winning Trade Length	55.93 days
Losing Trades	($1,980,742,962.68)
Number of Losing Trades	930
Average Loss	($2,129,831.14)
Percent of Losing Trades	56.43%
Maximum Consecutive Losses	12
Largest Losing Trade	($134,348,015.80)
Largest Losing Trade (%)	-212.02%
Average Losing Trade Length	22.48 days
Commissions on Futures	$97,789,716.95
Commissions on Currencies	$0.00
Commissions on Equities	$0.00
Total Commissions	$97,789,716.95

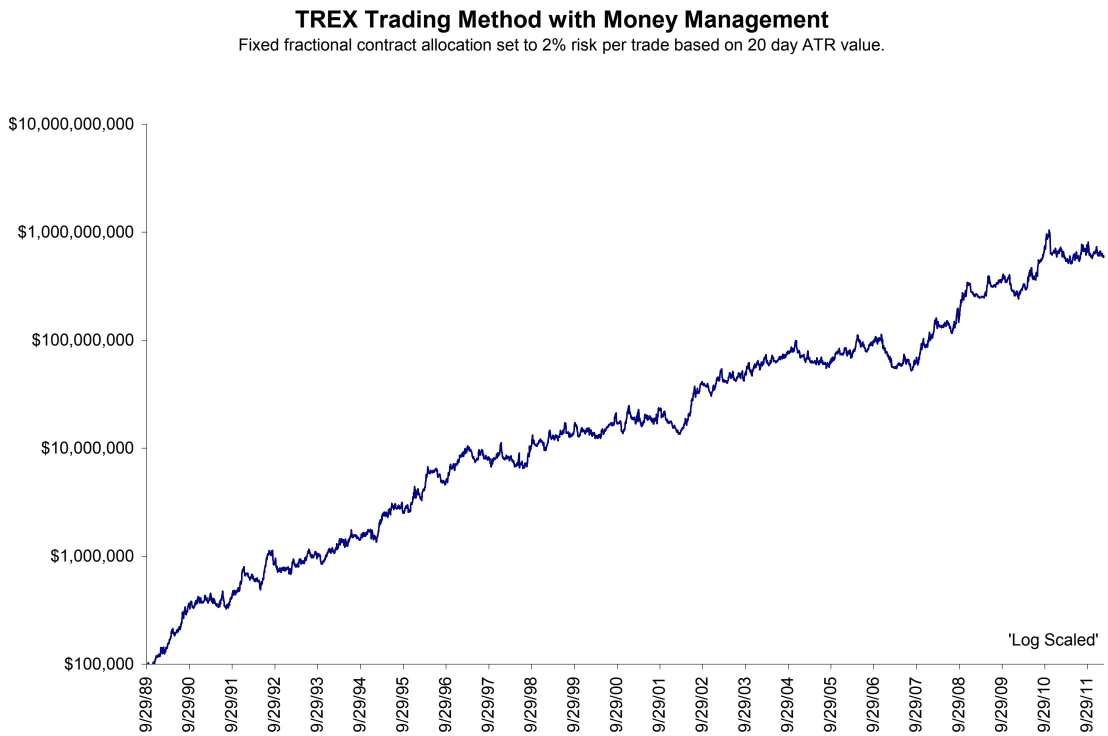
Trade Analysis	
Runups	
(by Amount)	
Maximum	$261,335,985.00
Date	11/10/2010
Average	$3,799,358.16
Standard Deviation	$11,930,158.41
(by Percent)	
Maximum	617.24%
Date	8/2/1991
Average	5.68%
Standard Deviation	26.60%
Efficiency Analysis	
Efficiency	
Total	
Average	-15.30%
Standard Deviation	56.88%
Entry	
Average	58.64%
Standard Deviation	33.53%
Exit	
Average	26.06%
Standard Deviation	27.96%
Profit Factor	1.26
Average Win/Average Loss	1.64
Net Profit/Largest Loss	-3.78
Net Profit/Max Drawdown	3.84
Statistical Analysis	
t-Test	2985.954
Significance	Yes

Return Analysis			
Annual Returns	**Amount**	**Amount (%)**	**Percent of Fixed Capital**
Average	$25,384,625.46	57.41%	25,384.63%
Standard Deviation	$88,700,593.37	75.64%	88,700.59%
Annualized Sharpe Ratio	0.2862		
Monthly Returns			
Average	$2,256,411.15	4.26%	2,256.41%
Standard Deviation	$32,206,771.00	14.63%	32,206.77%
Weekly Returns			
Average	$521,155.70	0.98%	521.16%
Standard Deviation	$16,774,110.35	6.82%	16,774.11%
Sharpe Ratio	0.1042		
K-Ratio	0.0288		
Return Retracement Ratio	2.0692		
Daily Returns			
Average	$106,863.89	0.20%	106.86%
Standard Deviation	$7,290,305.82	3.04%	7,290.31%
Best 12-month period	$576,334,420.47	264.37%	576,334.42%
	starting 11/2/2009	starting 1/2/2008	starting 11/2/2009
Worst 12-month period	($328,852,373.07)	-39.60%	-328,852.37%
	starting 11/1/2010	starting 9/1/2006	starting 11/1/2010
Equity Analysis			
Equity Drawdown			
Maximum	$548,702,475.30	54.66%	548,702.48%
Maximum Drawdown Date	4/20/2011	8/16/2007	4/20/2011
Average	$5,585,825.53	5.32%	5,585.83%
Standard Deviation	$30,626,342.52	8.93%	30,626.34%
Equity Runup			
Maximum	$1,055,410,651.47	1,134,125.23%	1,055,410.65%
Maximum Runup Date	11/5/2010	11/5/2010	11/5/2010
Average	$117,268,948.11	126,015.05%	117,268.95%
Standard Deviation	$351,803,138.76	378,041.32%	351,803.14%
Average Time to Recovery	8 days		
Average Time Between Equity Peaks	18 days		
Longest Time Between Equity Peaks	528 days		
Percent Years Profitable	75.00%		
Percent Months Profitable	54.07%		
Percent Weeks Profitable	56.03%		
Percent Days Profitable	53.52%		
Compounded Annual Return	47.57%		
Compounded Monthly Return	3.25%		

Program Settings

Portfolio Name	Sample Portfolio 2
Created using	Portfolio Maestro 3.0.48.0
Base Currency	USD
Initial Capital	$100,000.00
Risk Free Rate	2.00%
Sharpe Period	Weekly
Commissions	Future - 25 per Contract
Slippage	
Start Date	10/1/1989 12:00:00 AM
End Date	2/15/2012 11:59:59 PM
Strategy Group	TREX
Trading Symbols	[Futures]
	@C.C,@CL.C,@CT,@DX,@FC.P,@FV.P,@GC.C,@JY.C,@NG.C,@S.C @SB, @TY.P, @EC.C, @SF.C, @W.C, @US.P, @BP.C, @KW, @LH.C
Ranking	None
Strategy	TREX
Max Bars Study References	50
Money Management	Fixed Fractional with ATR Risk
Inputs	ATR Lookback=20
	ATR Multiplier=2
	Maximum Contracts=50000
	Percent Risk=0.02

Equity Curve



Tyrannosaurus

Trend Following Trading System Tests

Risk Disclaimer

If you cannot abide by the following disclaimers and are unwilling to accept full responsibility for your actions, please do not trade.

This document is designed as a big picture analysis of the TREX trading system. Please be advised that there is no one perfect portfolio or set of parameters. This is a robust methodology designed to give traders another tool in their trading toolbox. It is not a guarantee of performance.

All questions: info@trendfollowing.com.

Additional disclaimer:

FUTURES AND OR STOCK TRADING CAN INVOLVE HIGH RISKS WITH THE POTENTIAL FOR SUBSTANTIAL LOSSES. HOWEVER, YOU CAN ALSO PRODUCE LARGE WINNINGS AS WELL.

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