KDS Global, LLC.

Charles Schwab Portfolio Summary

Trading Account Summary

- **As of date 07/31/2018, Account Value is $65,164.**
- **Starting Date: 02/12/2018**
- **Starting Capital : $50,000**
- **Ending Date : 07/31/2018**
- **Ending Capital : $65,164**
- **Account Status : Closed**
- **Annualized Return: 60.7%**

Trading Strategies

- We have explored different trading strategies. Our success rate has been more on short range inter-day (i.e. open today, close tomorrow) or intra-day (i.e. same day open and close) trade.
- We have explored more scheduled event (i.e. FOMC News Conference) driven trade such as Gold, Currency USD and Interest Rate (Fed Rate).
- We have explored Iron Condor for intra-day trades and Short Strangle for inter-day trades.
- We have explored different tradeoff scenarios of lower probability (less risk) with lower premiums, for the benefit of less volatile account value.
- We have put more concentration on the refinement of the backtesting results, which translate to increasing winning probability with retaining risk; We have done more backtesting based on VXX volatility, put call ratio and signal confirmation to guide the trading entry point.
- We have added additional tickers to trade: QQQ, AAPL, TNA and IWM which are high volume high liquidity.

- We have rolled out an update of our DNN (Deep Neural Network) model, the Champion Challenger. The new DNN version 4 are reporting more consistent exercising probabilities with QED.
- We have tested a new strategy – Follow-up Trade which is triggered when QED probability reached 20% and when price reaches 2-3 times of the original trade made earlier. The goal is to capture the rich premiums offered by the market volatility.
- We have lowered the QED probability risk down from 5% to 3%; We created two red alert lines (probability 20% and 35%) for continually loss management to exit risky trade. When reaching 35% we will exit to create minimum at-loss; We set inter-day trade probability 20% for swap, 15% for follow-up trade.
- We are developing QED buy call buy put strategy which are currently in testing stage. Backtesting for SPY buy call buy put are in progress.
- We are developing momentum trading strategy for bullish and bearish markets based on the following rules, and the provided data have been imported into the system:
  - For bullish market (Overbought), Buy Call when:
  1) Stock market above 200 day moving average
  2) The stock is trading within 1% of its 52-week high
  3) The relative strength (RS) of the stock must be above its 26-week average
  4) The five-day RSI must be above 70

  - For bearish market (Oversold), Buy Put when:
  1) Stock market below 200 day moving average
  2) The stock is trading within 1% of its 52-week low
  3) The relative strength (RS) of the stock must be below its 26-week average
  4) The five-day RSI must be below 30
- We are developing High Reward High Risk Roll-in Strategy, to use higher premium to offset the risk. We are trying to gather all the programmable logics automated trading. The design goal is that we can do more trades in the given 6 and half hours, to satisfy all the trading capital deployments.
- We have implemented procedures to close all positions within one hour after market is closed.
- We have started the Monte Carlo Simulations for the purpose of verification of QED based strategies; We continued with trading of SPY, QQQ and TNA; We are moving to longer trading horizons instead of inter-day or intra-day trading.
- We have traded these new tickers: BABA, NFLX, EMR, CVS and NVDA in the past week.

R&D for Infrastructures

Using our UBX™ massive parallel computing platform, we have done R&D for DNN (Deep Neural Network) development. We have spent $20,000 to increase UBX capacity and capabilities.

We have brought 2 more GPU sub-systems online, currently in the process of expanding to the 32 superX UBX™ platform. Once this is done, we can scale this up to the entire of other 9 x 36 units in the office.

The purpose of the design is to speed up what usually taking for multiple days to just hours.

QED Trading Team

Xiaoling Zhao	Chief Investment Officer
John Wang	Portfolio Strategist
Michelle Li	Portfolio Management
Weimin Zhao	Risk management and QED Technology System
Albert Ren	Trader - U.S.
Alex Xie	Trader - U.S.
Eric Jiang	Trader - China