



KDS Global, LLC.

Interactive Broker Portfolio Summary

Trading Account Summary

- As of date 12/18/2018, Account Value is \$380,628
- Starting Date: 08/01/2018
- Starting Capital : \$300,000
- Account Status: Active
- Annualized Return: 30.6%

Trading Strategies

- Our trading strategies are based on “QED Options Trading Platform, Strategies, Risk-Adjusted Returns”, this document is listed on the www.ubxabc.com and the theory “Using biggest probability of not being exercised to earn biggest premium continuously” (用最大的概率不停地赚最大的小钱).
- QED options trading strategies are engineered by our patented UBX operating principles:
 1. Moving at the speed of strategic option trading thoughts automatically (敏行如思)
 2. Seizing the tightly coupled option trading probabilities simultaneously (紧握概率)
 3. Synchronizing bullish and bearish option trading strategies for any market (顺逆合一)
 4. Analyzing all trading positions continuously to maximize option profits (循道蓄德)



- Exit Strategy is to close our current positions when the profit reaches the 30%-50% profit line (depending on the current market volatility and trend) of each individual position's entry premium.
- We also have the Real-Time Monitor showing probability, time decay value, return information for our current position, as well as the probability graph for our current positions. These can be found in our website www.ubxabc.com

❖ Vertical Spread Trades

A vertical spread trade is a combination of a short position of out-of-the-money (OTM) option (K_1), plus a long position of a further OTM option of the same type (K_2). The profit, i.e., the credit received at the time of trade, is made when the stock price stays OTM for K_1 at maturity.

For QED vertical spread trade, we first select the short position strike, K_1 , based on QED probability. The strike of long position, K_2 , is selected based on the following principles:

1. The spacing between K_1 and K_2 , $K_1 - K_2$, provides the protection against large price move in the wrong direction. The larger the spacing, the less effective the protection is against underlying price movement.
2. On the other hand, the larger the spacing, the more credit it receives, i.e., it's more profitable if the underlying price stays OTM at maturity.

Therefore, the optimal value of

$$K_2 = \operatorname{argmax} U'(K)$$

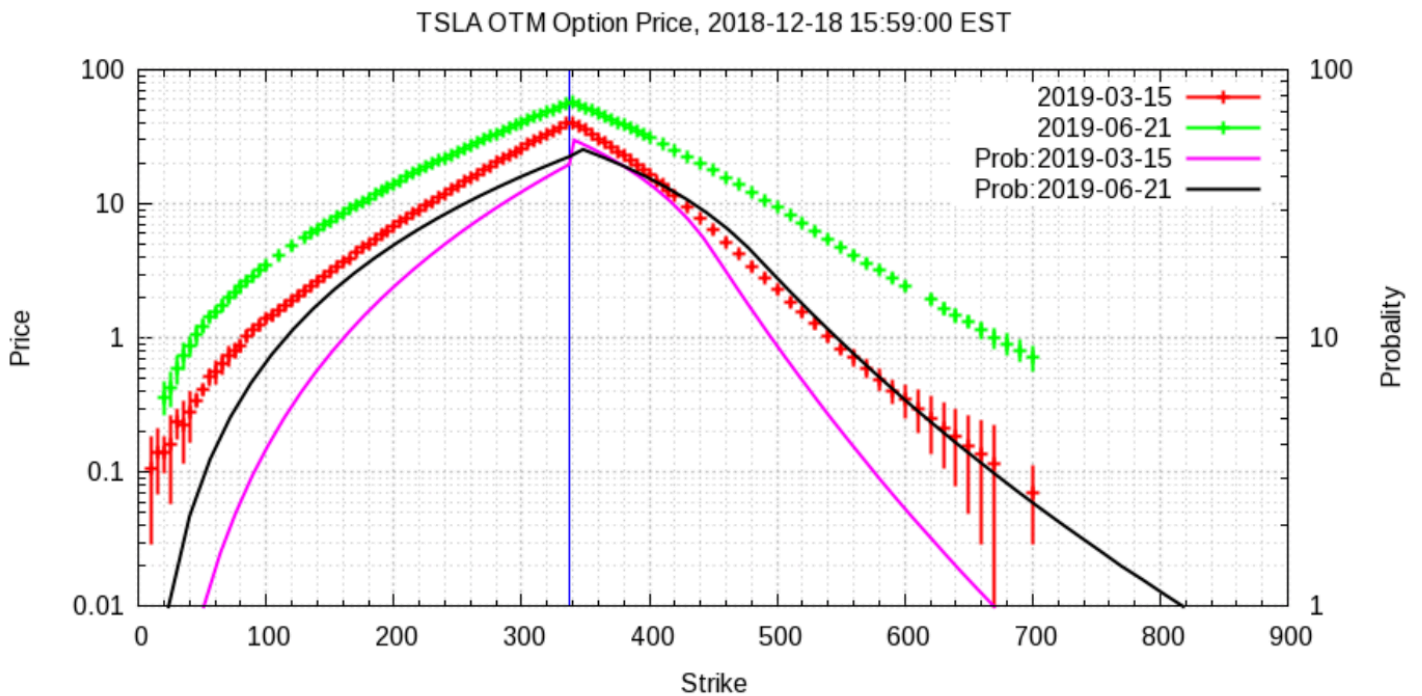
Where $U'(K)$ is the first order derivative of option premium U with respect to strike K , and argmax is the strike K at which the $U'(K)$ is maximum.



Real-Time Monitor

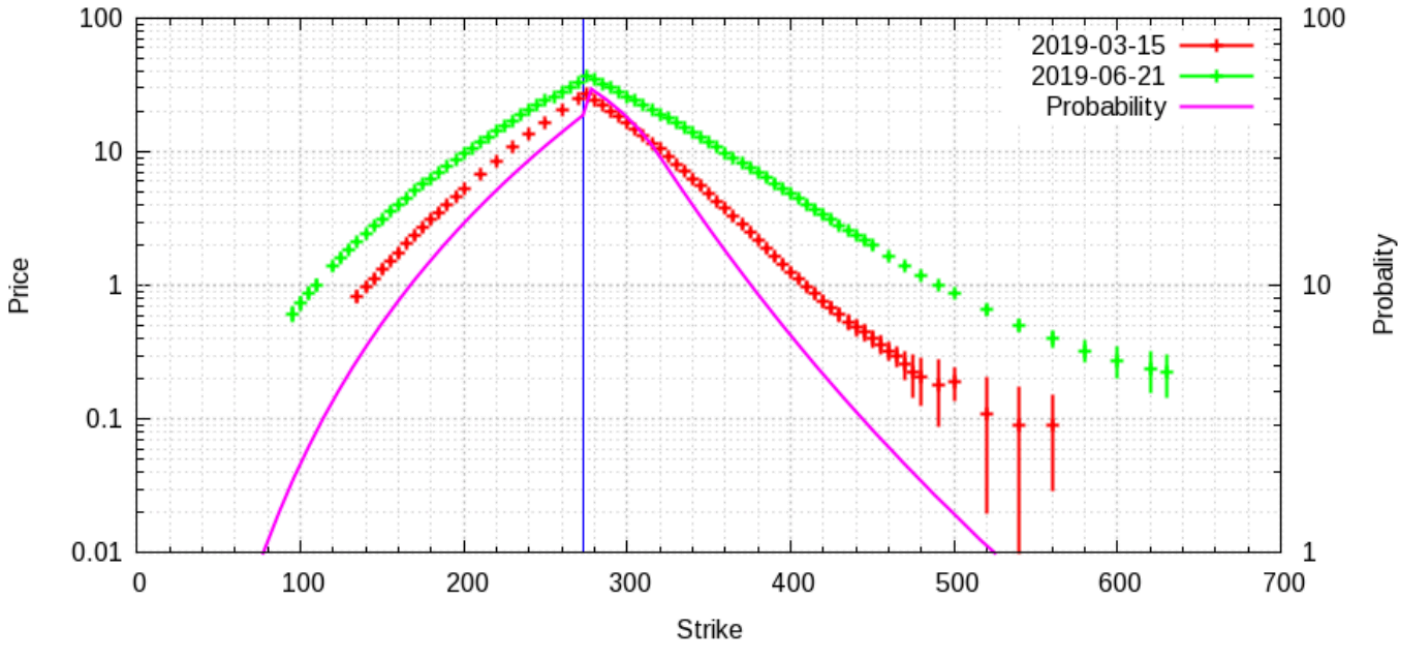
SPY Spot 2018-12-18 15:59 255.41 Mat 2019-06-21 P200 p9.67% t0.85% r4.2%-35.1 Added 2018-12-13 Px 1.95/264.75/30c

TSLA Spot 2018-12-18 15:59 337.28 Mat 2019-06-21 P180 p19.13% t0.63% r7.0%-32.5 P200 p22.28% t0.58% r10.2%-11.2 Added 2018-12-13 Px 8.30 12.70/371.15/358.72/180P_60c/200P_40c

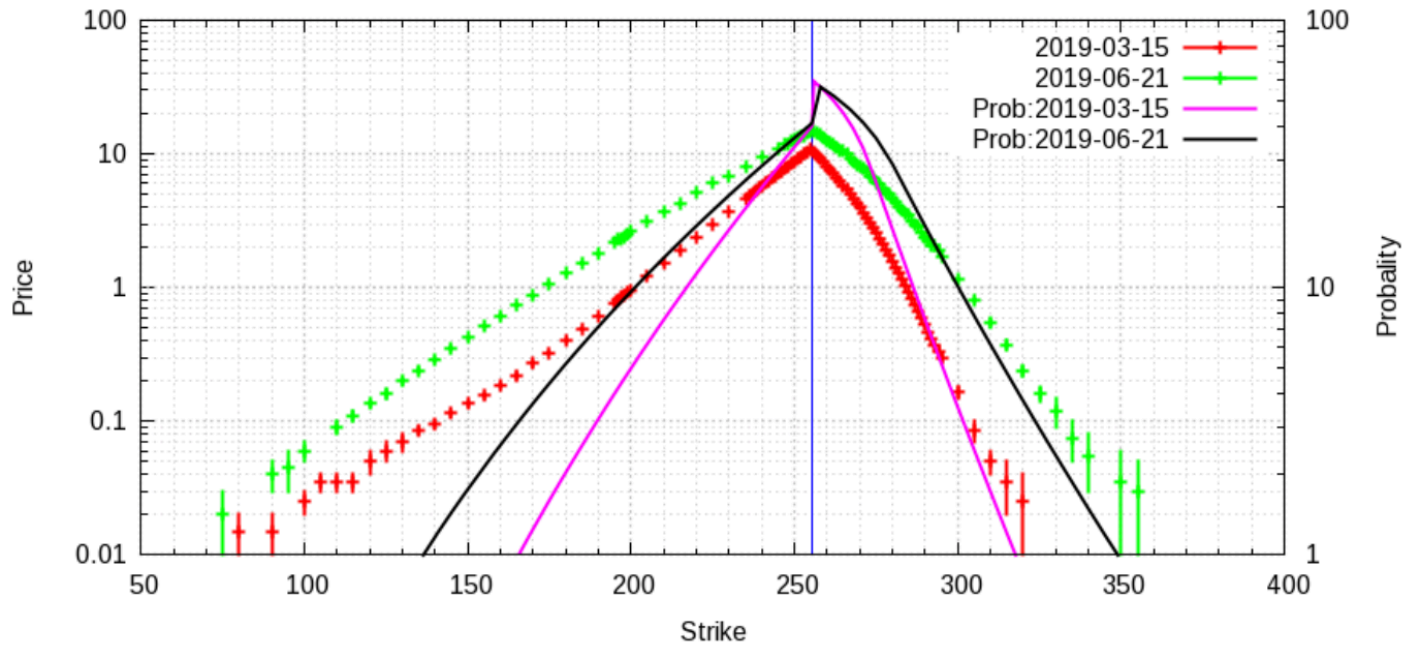




NFLX OTM Option Price, 2018-12-18 15:59:00 EST



SPY OTM Option Price, 2018-12-18 15:59:00 EST





QED Trading Team

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Portfolio Management

Risk management

Trader

Trader

Trader

QED Options Pricing Model

DNN Options Pricing Model