



Market Report

Market Review Oct. 2020

In the month of October, we managed to remain at a quite decent level of volatility with US-elections coming closer and closer. For the month we took a really risk-averse approach and decided to generally lower our risk to play it ultra-safe. The GBP opened and closed the month around the same levels although it managed to gain some serious strength throughout the middle of the month. The EUR remained at its positive correlation to the GBP and nearly followed the same path. The JPY printed a nice gain over the month opening quite a bit higher than the opening price at the beginning of the month.

Portfolio Performance

Although we took a very cautious approach, we were positively surprised by how well the strategy was performing for the month. After 3 weeks of taking hardly any risks, the strategy managed to print a positive result of approximately 1.5% (low risk) which came very close to the targeted 2% we had in mind for the month. In the final week, we then got slapped in the face with some big technology losses again, we got slipped heavily on our stop-loss resulting in a 2x loss as well as getting some pretty big slippage in the following positions which basically took away our slight positive result for the month. We wouldn't be outperforming the benchmarks each year if we didn't notice that these slips and liquidity problems have cost us over the last two months (approximately 50% of the total drawdown) and we wouldn't be a proper management team if we did not write a plan of action to tackle the problems.

Although this is a problem where the managers or the broker can't do much about, we have taken action with the following steps:

1. We added more liquidity into the pools at the brokerage side this month to guarantee a better fill, this has properly played out this month execution-wise where we've really seen an improvement in the prices where we got filled.
2. We have speeded up the process of running our tests on the V3.0 of our lead trading strategy. Something which played out perfectly. In this update, we have modified a couple of parameters based on the common errors we've seen in the last 2 months. The main modifications include:
 - A broader risk to reward ratio with a minimum of 1 risk to 1.5 reward.
 - Wider stop-loss strategy to ensure we are not getting stop swiped before seeing prices move to our targets without us. Something which happened many times over the last 2 months.
 - Filtering the volume pushes in Institutional Trade Zones only, something which filters out a lot of the losing positions.
3. Reduced the risk of all risk profiles to 0.5%. Since the risk to reward ratios have been enlarged we will utilize this risk percentage until we have locked-in an approximate 5% gain. From there we will return to the regular risk profiles.

If we compare the results of October to our benchmarks based on the medium-risk profile for the AEX and the S&P500 and the low-risk profile for the Eureka FX hedge-fund index then we see that the AEX printed a -2.52% result where the S&P500 generated a -2.77% result. The Hedge-fund index resulted in a positive digit of 1.02%

Market Outlook

For the month of October, we are positively stemmed and we are looking to print a decent green number again. Although, with the US Elections coming closer we think that the number won't necessarily be a high one as we will play the markets with a high degree of caution. Also, in October, we will start jumping further in the technology losses and see where we can improve in that field too.

FUNDZ Gross performance YTD*: 7.6%
 Eureka hedge FX Hedge-fund Index performance YTD*: -0.57%
 S&P500 Gross performance YTD*: 3.8%
 AEX Gross Performance YTD*: -10.98%

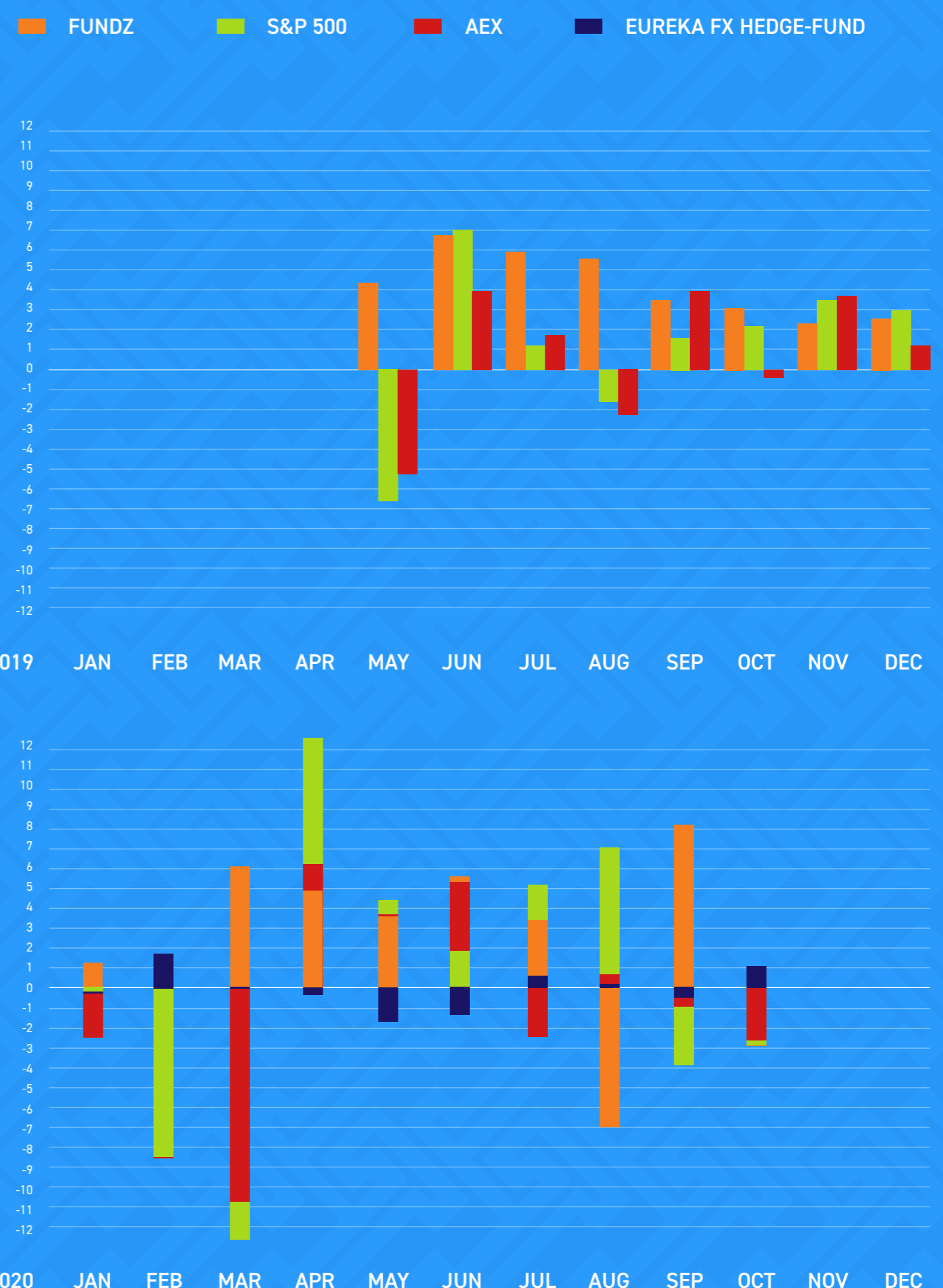
*YTD = Year To Date

For the year, we are still outperforming all our benchmarks which is always our proprietary goal.

NOTE: Results presented above are non-compounded

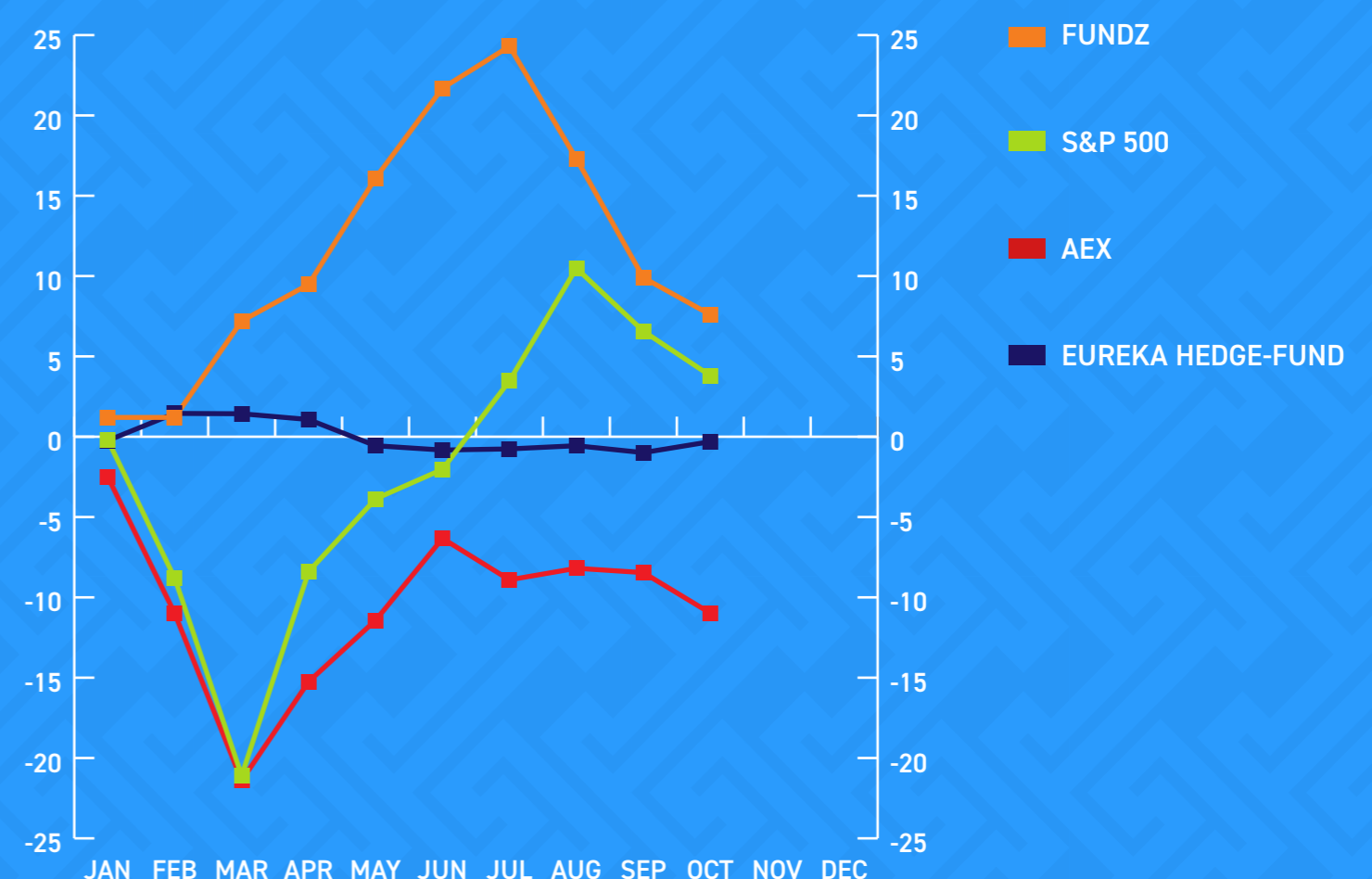
Performance

Below you will find the results of the FUNDZ trading strategy (medium risk profile) compared to the S&P 500, AEX and the EUREKA FX Hedge-fund index. FUNDZ mainly refers to monthly, stable results which can be read in the graph below. Especially in 2020, with the ongoing coronavirus situation, we see strong losses in the 2 indices mentioned, while FUNDZ maintains its stable result. No splashing ups & downs, just an even result. Just for the recent months, we saw some volatility in our results mainly because of losses by thin liquidity.



NOTE: Historical returns are not a guarantee for the future

Benchmark Performance



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