

# Breakout Trading Back Testing Results

The back testing results have been prepared in 2 parts. The first part below utilises all trades identified by the strategy and demonstrates how the system performs overall. Over the page are some Portfolio Simulations which model the strategy as it might occur in a portfolio.

## *Breakout Trading System Results*

- Below are the results of all trades identified by the Breakout Trading Strategy including Breakout and 2<sup>nd</sup> Wave trades, for 2009 to 2010
- Position sizes have been based on \$100,000 trading capital using risk management rules described in the system
- The entry and exit prices are the Open of the week following each trading signal
- A brokerage assumption of 1% of capital invested has been used for each full trade
- A split between Breakout and 2<sup>nd</sup> Wave trades is shown in the first table below.
- A split into Long and Short trades is shown in the second table below.

<i>Trading Statistics</i>	<b>All Trades</b>	<b>Breakout</b>	<b>2<sup>nd</sup> Wave</b>
<i>Number of Trades</i>	278	228	50
<i>Win/Lose Ratio</i>	57.55%	57.02%	60.00%
<i>Average Win</i>	\$2,116.53	\$2,116.89	\$2,114.98
<i>Average Loss</i>	-\$829.66	-\$821.60	-\$869.12
<i>Av Win/Av Loss</i>	2.55	2.58	2.43
<i>Average Days</i>	57	55	67

<i>Trading Statistics</i>	<b>Long Trades</b>	<b>Short Trades</b>
<i>Number of Trades</i>	227	51
<i>Win/Lose Ratio</i>	56.83%	60.78%
<i>Average Win</i>	\$2,199.20	\$1,772.50
<i>Average Loss</i>	-\$849.20	-\$733.92
<i>Av Win/Av Loss</i>	2.59	2.42
<i>Average Days</i>	56	60

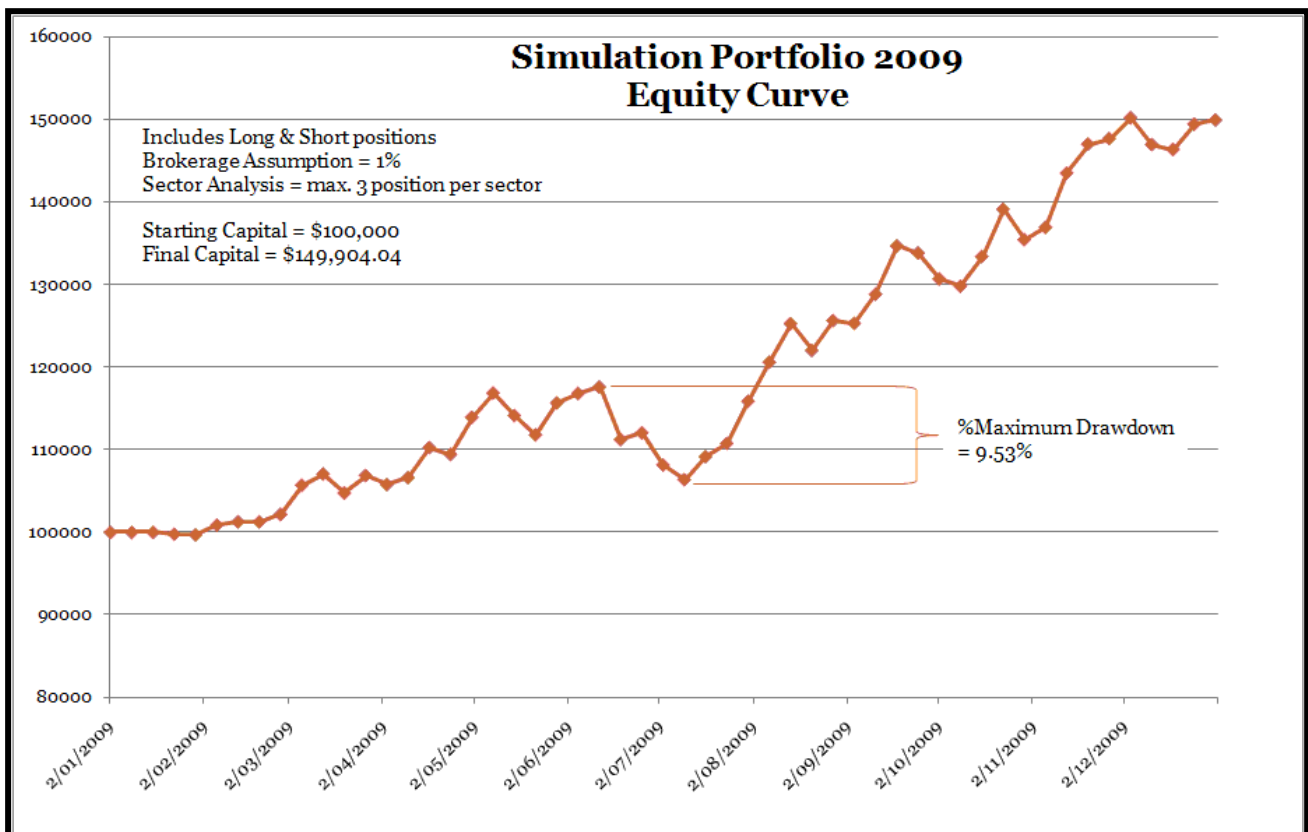
# Breakout Trading Portfolio Simulation

## Jan 2009 to Dec 2009

*As discretion has been used to select trades from the newsletter for this simulation, these results should be treated as an approximate guide only*

- Starting capital is \$100,000
- The entry and exit prices are the Open of the week following each trading signal.
- A brokerage assumption of 1% of capital invested has been used for each full trade.
- Sector risk of a maximum of 3 positions per sector has been used.
- Dividends have been ignored.

<i><b>Trading Statistics</b></i>	<b>Trades</b>
<i>Final Capital</i>	\$149,904.04
<i>%Gain</i>	49.90%
<i>Index %Gain</i>	31.14%
<i>%Maximum Drawdown</i>	9.53%
<i>Number of Trades</i>	39
<i>Win/Lose Ratio</i>	69.23%
<i>Average Win</i>	\$2,218.99
<i>Average Loss</i>	-\$834.05
<i>Av Win/Av Loss</i>	2.66
<i>Average Days</i>	60



Actual trades used in this simulation are listed below

- Share codes ending with a '2' are 2<sup>nd</sup> wave trades
- Starting capital is \$100,000
- The entry and exit prices are the Open of the week following each trading signal.
- A brokerage assumption of 1% of capital invested has been used for each full trade.
- Sector risk of a maximum of 3 positions per sector has been used.
- Dividends have been ignored.

<b>Trades</b>		<b>Entry</b>				<b>Trade Value</b>		<b>Exit</b>		<b>Trade</b>		<b>Days</b>	<b>\$Profit /Loss</b>	<b>%Gain /Loss</b>
<b>Share</b>	<b>Sector</b>	<b>Directio</b>	<b>Date</b>	<b>Units</b>	<b>Price</b>	<b>Inc.</b>	<b>Costs</b>	<b>Date</b>	<b>Price</b>	<b>Value</b>				
RMD	Healthcare	Long	23-Jan	4,604	\$3.01	\$13,998.04		27-Feb	\$2.90	\$13,351.60	35	-\$646.44	-4.62%	
TOL	Industrial	Short	23-Jan	1,534	\$5.15	\$7,820.10		13-Feb	\$5.60	\$8,590.40	21	-\$770.30	-9.85%	
AWB	CS	Short	6-Feb	2,283	\$1.75	\$3,955.25		27-Mar	\$1.12	\$2,556.96	49	\$1,398.29	35.35%	
SLM	Industrial	Long	13-Feb	5,749	\$3.32	\$19,279.68		27-Feb	\$3.12	\$17,936.88	14	-\$1,342.80	-6.96%	
HDF	Utilities	Short	13-Feb	5,100	\$1.58	\$7,977.00		24-Apr	\$0.58	\$2,958.00	70	\$5,019.00	62.92%	
JBH	CD	Long	13-Feb	831	\$10.89	\$9,140.59		15-May	\$12.15	\$10,096.65	91	\$956.06	10.46%	
AOE	Energy	Long	13-Feb	3,364	\$2.69	\$9,140.16		19-Jun	\$3.46	\$11,639.44	126	\$2,499.28	27.34%	
BEN	Financial	Short	20-Feb	545	\$7.36	\$3,970.20		20-Mar	\$7.28	\$3,967.60	28	\$2.60	0.07%	
QBE	Financial	Short	20-Feb	437	\$20.65	\$8,933.05		27-Mar	\$19.74	\$8,626.38	35	\$306.67	3.43%	
OSH	Energy	Long	27-Feb	2,693	\$4.89	\$13,301.77		24-Apr	\$4.96	\$13,357.28	56	\$55.51	0.42%	
TCL	Industrial	Short	6-Mar	1,642	\$3.83	\$6,224.86		20-Mar	\$4.46	\$7,323.32	14	-\$1,098.46	-17.65%	
SLM2	Industrial	Long	6-Mar	4,599	\$3.19	\$14,818.81		19-Jun	\$3.32	\$15,268.68	105	\$449.87	3.04%	
COH	Healthcare	Short	13-Mar	259	\$49.00	\$12,562.00		1-May	\$50.60	\$13,105.40	49	-\$543.40	-4.33%	
IRE	IT	Long	20-Mar	2,372	\$5.74	\$13,753.28		3-Jul	\$7.00	\$16,604.00	105	\$2,850.72	20.73%	
WTF	CD	Long	27-Mar	2,695	\$3.80	\$10,344.00		3-Jul	\$4.30	\$11,588.50	98	\$1,244.50	12.03%	
KAR	Energy	Long	24-Apr	1,799	\$4.22	\$7,668.78		22-May	\$5.57	\$10,020.43	28	\$2,351.65	30.67%	
CDU	Materials	Long	1-May	3,491	\$2.59	\$9,132.69		19-Jun	\$2.52	\$8,797.32	49	-\$335.37	-3.67%	
OSH2	Energy	Long	1-May	2,606	\$5.20	\$13,688.20		10-Jul	\$5.19	\$13,525.14	70	-\$163.06	-1.19%	
GBG	Materials	Long	8-May	7,311	\$0.95	\$7,015.45		15-May	\$0.71	\$5,190.81	7	-\$1,824.64	-26.01%	
RMS	Materials	Long	15-May	24,246	\$0.56	\$13,714.76		5-Jun	\$0.53	\$12,850.38	21	-\$864.38	-6.30%	
OMH2	Materials	Long	22-May	7,147	\$1.24	\$8,952.28		23-Oct	\$1.67	\$11,935.49	154	\$2,983.21	33.32%	
IVC	CD	Long	5-Jun	2,673	\$5.63	\$15,200.99		3-Jul	\$5.46	\$14,594.58	28	-\$606.41	-3.99%	
TRS	CD	Long	12-Jun	1,440	\$12.14	\$17,658.60		3-Jul	\$11.59	\$16,689.60	21	-\$969.00	-5.49%	
HSP	Healthcare	Long	19-Jun	4,226	\$4.27	\$18,227.02		9-Oct	\$4.60	\$19,439.60	112	\$1,212.58	6.65%	
HGG	Financial	Long	3-Jul	9,004	\$1.93	\$17,553.72		25-Sep	\$2.38	\$21,429.52	84	\$3,875.80	22.08%	
CFE2	Materials	Long	3-Jul	37,394	\$0.29	\$10,954.26		18-Dec	\$0.42	\$15,705.48	168	\$4,751.22	43.37%	
NVT2	CD	Long	10-Jul	7,009	\$2.71	\$19,186.39		11-Dec	\$3.89	\$27,265.01	154	\$8,078.62	42.11%	
TRS2	CD	Long	17-Jul	1,652	\$12.45	\$20,775.40		2-Oct	\$13.16	\$21,740.32	77	\$964.92	4.64%	
AUN	CD	Long	17-Jul	12,686	\$0.94	\$12,044.84		6-Nov	\$1.28	\$16,238.08	112	\$4,193.24	34.81%	
CIF	Utilities	Long	25-Sep	7,893	\$1.68	\$13,394.24		16-Oct	\$1.59	\$12,549.87	21	-\$844.37	-6.30%	
CTX	Energy	Short	2-Oct	2,246	\$11.80	\$26,234.80		25-Dec	\$9.25	\$20,775.50	84	\$5,459.30	20.81%	
RSG	Materials	Long	9-Oct	20,047	\$0.71	\$14,377.37		11-Dec	\$0.92	\$18,443.24	63	\$4,065.87	28.28%	
AMC2	NoClass	Long	16-Oct	3,454	\$5.56	\$19,398.24		Open	\$6.23	\$21,518.42	76	\$2,120.18	10.93%	
WAN2	CD	Long	6-Nov	2,568	\$7.81	\$20,259.08		18-Dec	\$8.05	\$20,672.40	42	\$413.32	2.04%	
MMX	Materials	Long	11-Dec	4,922	\$2.07	\$10,291.54		Open	\$2.50	\$12,305.00	20	\$2,013.46	19.56%	
RMD	Healthcare	Long	11-Dec	10,067	\$2.89	\$29,388.63		Open	\$2.97	\$29,848.66	20	\$460.02	1.57%	
CEY	Energy	Long	18-Dec	5,894	\$3.70	\$22,027.80		Open	\$4.00	\$23,576.00	13	\$1,548.20	7.03%	
PRU2	Materials	Long	18-Dec	8,343	\$1.74	\$14,663.82		Open	\$1.77	\$14,767.11	13	\$103.29	0.70%	
RIV	Energy	Long	18-Dec	2,129	\$6.81	\$14,644.49		Open	\$7.13	\$15,179.77	13	\$535.28	3.66%	

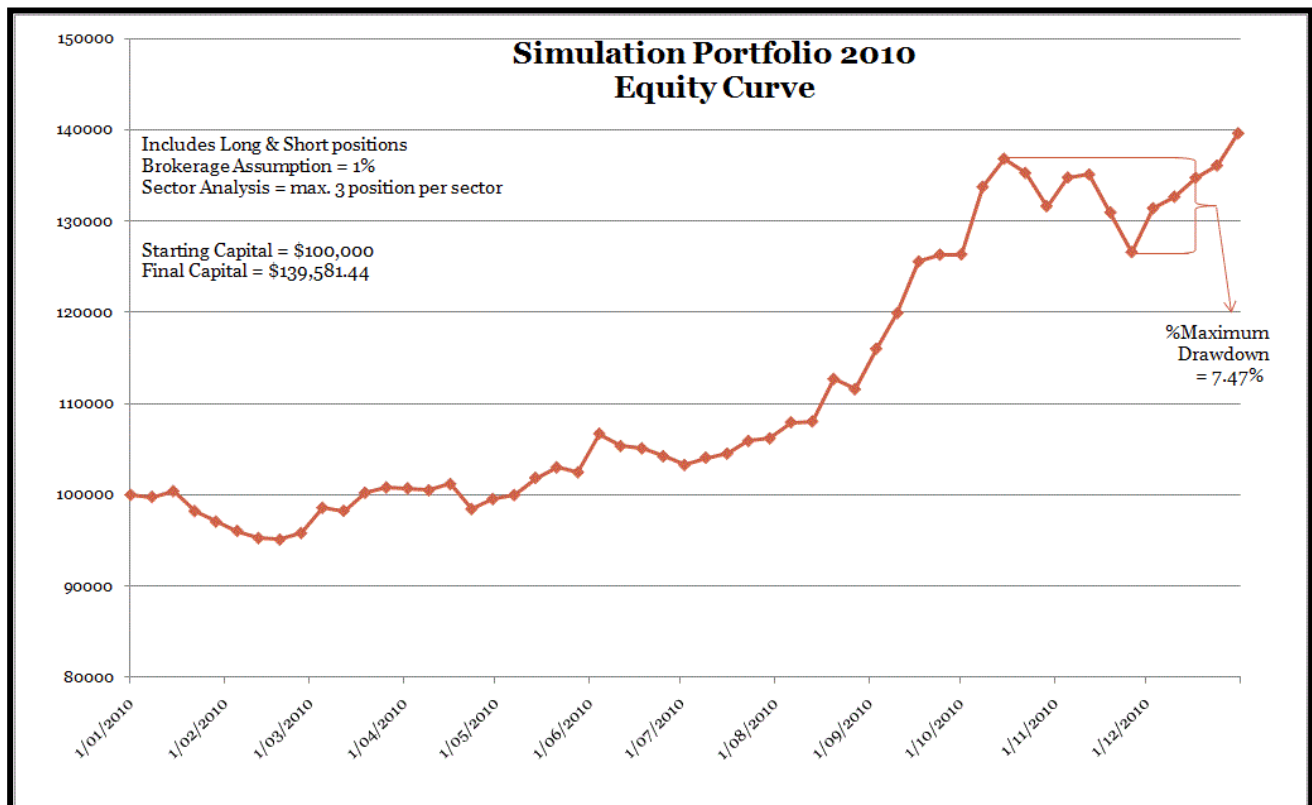
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<b><i>Trading Statistics</i></b>	<b>Trades</b>
<i>Final Capital</i>	\$139,581.44
<i>%Gain</i>	39.58%
<i>Index %Gain</i>	-2.57%
<i>%Maximum Drawdown</i>	7.47%
<i>Number of Trades</i>	35
<i>Win/Lose Ratio</i>	65.71%
<i>Average Win</i>	\$2,067.89
<i>Average Loss</i>	-\$665.01
<i>Av Win/Av Loss</i>	3.11
<i>Average Days</i>	62



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<b>Trades</b>		<i>Entry</i>			<i>Trade Value</i>		<i>Exit</i>		<i>Trade</i>		<i>\$Profit</i>	<i>%Gain</i>	
<i>Share</i>	<i>Sector</i>	<i>Directio</i>	<i>Date</i>	<i>Units</i>	<i>Price</i>	<i>Inc.</i>	<i>Costs</i>	<i>Date</i>	<i>Price</i>	<i>Value</i>	<i>Days</i>	<i>/Loss</i>	<i>/Loss</i>
AWE	Energy	Long	8-Jan	4,161	\$3.09	\$12,987.49		22-Jan	\$2.78	\$11,567.58	14	-\$1,419.91	-10.93%
AGO	Materials	Long	8-Jan	4,495	\$2.20	\$9,989.00		29-Jan	\$1.91	\$8,562.98	21	-\$1,426.03	-14.28%
MRU	Energy	Long	29-Jan	1,505	\$5.75	\$8,740.75		19-Feb	\$5.20	\$7,826.00	21	-\$914.75	-10.47%
HIL	Industrial	Long	5-Feb	4,586	\$2.50	\$11,567.24		23-Apr	\$2.68	\$12,290.48	77	\$723.24	6.25%
RMD2	Healthcare	Long	5-Feb	6,004	\$3.18	\$19,255.70		25-Jun	\$3.53	\$21,194.12	140	\$1,938.42	10.07%
ANN	Healthcare	Long	19-Feb	1,306	\$11.61	\$15,315.66		16-Apr	\$11.82	\$15,436.92	56	\$121.26	0.79%
CSL	Healthcare	Long	19-Feb	470	\$34.41	\$16,335.70		23-Apr	\$32.65	\$15,345.50	63	-\$990.20	-6.06%
TRS	CD	Long	19-Feb	854	\$15.46	\$13,335.84		7-May	\$15.50	\$13,237.00	77	-\$98.84	-0.74%
GFF	CS	Short	19-Feb	13,095	\$1.54	\$19,985.30		9-Jul	\$1.34	\$17,547.30	140	\$2,438.00	12.20%
SGN	CD	Long	16-Apr	17,262	\$0.89	\$15,516.18		25-Jun	\$0.95	\$16,398.90	70	\$882.72	5.69%
ANN2	Healthcare	Long	23-Apr	636	\$12.28	\$7,888.08		2-Jul	\$12.68	\$8,064.48	70	\$176.40	2.24%
IAG	Financial	Short	23-Apr	5,144	\$3.80	\$19,350.20		16-Jul	\$3.37	\$17,335.28	84	\$2,014.92	10.41%
LLC	Financial	Short	7-May	1,379	\$7.89	\$10,770.31		9-Jul	\$7.59	\$10,466.61	63	\$303.70	2.82%
IGR	Materials	Long	25-Jun	29,482	\$0.32	\$9,380.83		22-Oct	\$0.52	\$15,183.23	119	\$5,802.40	61.85%
ABC	NoClass	Long	9-Jul	4,253	\$3.08	\$13,221.48		12-Nov	\$3.09	\$13,141.77	126	-\$79.71	-0.60%
IGO	Materials	Long	16-Jul	1,993	\$5.19	\$10,448.67		23-Aug	\$5.50	\$10,961.50	38	\$512.83	4.91%
LYC	Materials	Long	16-Jul	9,266	\$0.67	\$6,271.22		29-Oct	\$1.46	\$13,528.36	105	\$7,257.14	115.72%
GNC	CS	Long	6-Aug	2,003	\$6.40	\$12,949.20		26-Nov	\$6.80	\$13,618.40	112	\$669.20	5.17%
NWH	Industrial	Long	20-Aug	9,857	\$1.25	\$12,395.97		5-Nov	\$1.74	\$17,101.90	77	\$4,705.93	37.96%
PBG	CD	Long	27-Aug	10,776	\$1.03	\$11,157.40		29-Oct	\$1.10	\$11,853.60	63	\$696.20	6.24%
JBH	CD	Long	3-Sep	481	\$21.50	\$10,440.50		1-Oct	\$20.80	\$10,004.80	28	-\$435.70	-4.17%
CGF	Financial	Long	3-Sep	2,627	\$3.94	\$10,455.38		26-Nov	\$4.42	\$11,611.34	84	\$1,155.96	11.06%
ASL	Materials	Long	3-Sep	8,744	\$1.97	\$17,399.68		Open	\$3.10	\$27,106.40	114	\$9,706.72	55.79%
TPI	Industrial	Long	1-Oct	8,740	\$1.20	\$10,593.00		19-Nov	\$1.22	\$10,662.80	49	\$69.80	0.66%
BMN	Materials	Long	22-Oct	20,113	\$0.50	\$10,191.50		17-Dec	\$0.56	\$11,263.28	56	\$1,071.78	10.52%
ANZ	Financials	Long	29-Oct	313	\$24.95	\$7,889.35		12-Nov	\$23.30	\$7,292.90	14	-\$596.45	-7.56%
WHC	Energy	Long	29-Oct	3,163	\$7.02	\$22,395.26		26-Nov	\$6.63	\$20,970.69	28	-\$1,424.57	-6.36%
CQO	No Class	Long	5-Nov	6,150	\$2.75	\$17,082.50		17-Dec	\$2.74	\$16,851.00	42	-\$231.50	-1.36%
AWE	Energy	Long	12-Nov	8,976	\$1.79	\$16,229.04		Open	\$1.77	\$15,887.52	49	-\$341.52	-2.10%
CTX	Energy	Long	19-Nov	1,094	\$13.55	\$14,973.70		Open	\$14.37	\$15,720.78	42	\$747.08	4.99%
CCV	CD	Long	26-Nov	39,448	\$0.64	\$25,501.72		Open	\$0.71	\$27,810.84	35	\$2,309.12	9.05%
NWH2	Industrial	Long	26-Nov	7,427	\$1.86	\$13,954.22		Open	\$2.16	\$16,042.32	35	\$2,088.10	14.96%
TRY2	Materials	Long	26-Nov	1,871	\$3.57	\$6,746.47		Open	\$3.98	\$7,446.58	35	\$700.11	10.38%
IDL	Industrial	Long	17-Dec	4,404	\$1.46	\$6,494.84		Open	\$1.47	\$6,473.88	14	-\$20.96	-0.32%
PNA	Materials	Long	17-Dec	25,947	\$0.83	\$21,622.28		Open	\$0.89	\$23,092.83	14	\$1,470.56	6.80%