

Dual Momentum Strategies: HedgeFundie

Sort of a highly leveraged 60/40 Portfolio as prescribed by HedgeFundie on Bogleheads

Results through 01/31/2024

Investment selection for February 2024:

55% UPRO 45% TMF

Tax friendliness:

HedgeFundie unsure of short/long term taxes

Months between change of holdings:

HedgeFundie as tracked here is rebalanced monthly.

Portfolio size appropriateness:

Whale, HedgeFundie can be used for any sized portfolio.

Characteristics:

Drawdowns: HedgeFundie has frequent and massive drawdowns.

Volatility: HedgeFundie is extremely volatile.

Returns: HedgeFundie has superior historical returns compared to the S&P 500.

HedgeFundie is always leveraged with 3X ETF's

Strategy Description:

HedgeFundie's Excellent Adventure threads on the Boglehead's forum has been active since 1st posted. HedgeFundie left after some point, tired of defending the strategy and being attacked, the strategy lives on. I track it out of curiosity, even though I find it to be a terrible strategy given it's performance adjusted metrics. People can dream.

Strategy Components

UPRO 3X S&P 500

TMF 3X Long Term Treasuries

Metric	2000+	1980+
Beta	1.52	1.73
Alpha	2.64%	5.77%

Annualized Returns, actual YTD for current year.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
HedgeFundie	-1.81%	4.40%	-12.33%	8.43%	15.36%	13.05%	25.66%
Balanced 60/40	0.89%	12.95%	3.78%	8.09%	7.83%	5.88%	9.80%
S&P 500	1.59%	20.60%	10.92%	14.21%	12.52%	7.00%	11.67%

Maximum Drawdown, single largest drawdown.

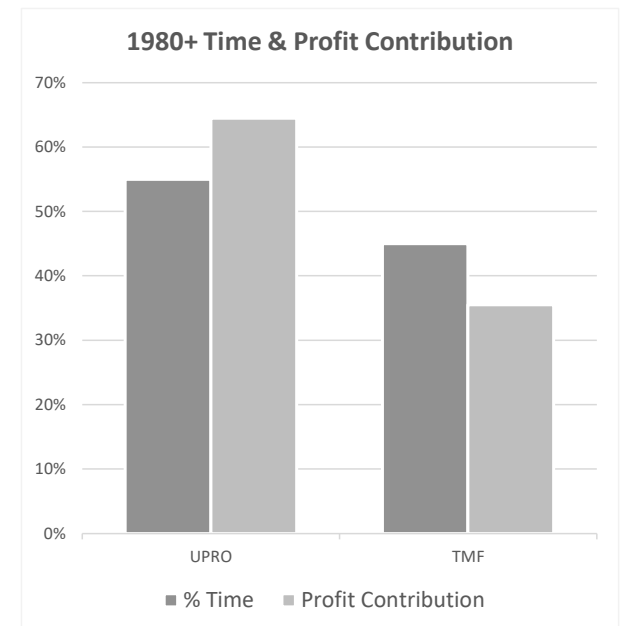
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
HedgeFundie	-1.81%	-34.52%	-69.46%	-69.46%	-69.46%	-69.46%	-69.46%
Balanced 60/40	0	-6.84%	-20.09%	-20.09%	-20.09%	-32.33%	-32.33%
S&P 500	0	-8.33%	-23.92%	-23.92%	-23.92%	-50.79%	-50.79%

Ulcer Index, the higher the number the more painful downside volatility. Considers all downside not just maximum.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
HedgeFundie	1.28	13.37	44.29	34.72	25.28	26.10	20.62
Balanced 60/40	-	2.49	10.82	8.63	6.27	8.24	6.44
S&P 500	-	3.01	9.89	8.37	6.39	16.43	12.86

Sortino Ratio, risk adjusted performance measure - bigger number is better.

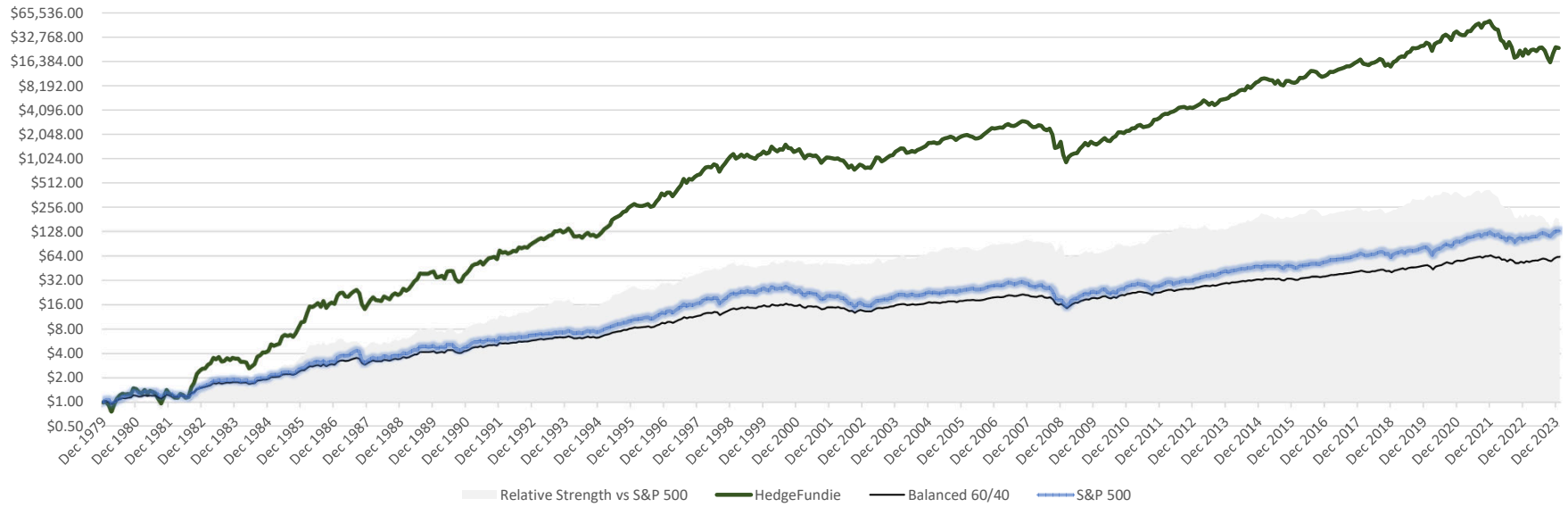
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
HedgeFundie	(3.46)	(1.27)	(1.52)	(1.27)	(1.43)	0.57	1.19
Balanced 60/40	(3.46)	(2.83)	(2.82)	(2.77)	(2.97)	0.13	0.70
S&P 500	(3.46)	(2.46)	(2.31)	(2.20)	(2.48)	0.25	0.67



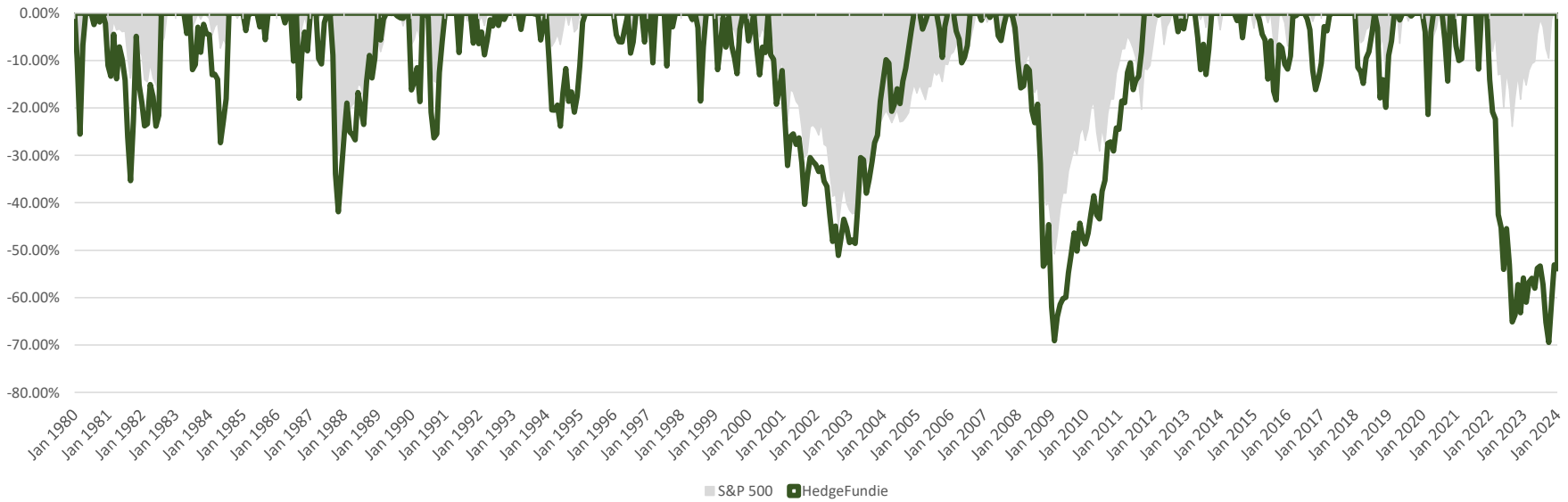
HedgeFundie's Excellent Adventure [55/45] began in August 2019, out of sample after that time.

HedgeFundie's Excellent Adventure: 55% UPRO / 45% TMF

HedgeFundie vs Benchmarks | 1980+ Equity Chart | logarithmic scale chart



HedgeFundie vs S&P 500 Drawdown | 1980+



HedgeFundie's Excellent Adventure [55/45] began in August 2019, out of sample after that time.

Dual Momentum Strategies: MAX PAIN

USA Momentum Rotational always using triple leverage

Results through 01/31/2024

Investment selection for February 2024:

UPRO, 3X S&P 500

Tax friendliness:

MAX PAIN has mostly Short Term Cap Gains.

Months between change of holdings:

MAX PAIN changes it's holdings every 2.5 months on average.

Portfolio size appropriateness:

Small Fry, MAX PAIN is only suitable for < \$500,000 allocations.

Characteristics:

Drawdowns: MAX PAIN has frequent and larger drawdowns than the S&P.

Volatility: MAX PAIN is far more volatile than the S&P over time.

Returns: MAX PAIN has incredibly huge historical returns compared to the S&P 500.

Leverage: MAX PAIN has a maximum leverage of 300% and average leverage of: 258%

Strategy Description:

MAX PAIN invests in the United States, going into the 3X leveraged version of the best performer of the Russell 1000, Russell MidCap Growth, or Russell Small Cap. When these markets aren't experiencing positive momentum the strategy goes into 3X Long Term Treasuries. This is an extremely high return strategy with equally high volatility and frequent drawdowns, know what you're getting into.

Strategy Components

URTY 3X Russell 2000, MIDU 3X S&P MidCap 400, UPRO 3X S&P 500

TMF 3X Long Term Treasuries, 1st month in treasuries

EDV Extended Duration Treasuries, subsequent months in treasuries

Metric	2000+	1980+
Beta	1.09	1.60
Alpha	26.52%	15.88%

Annualized Returns, actual YTD for current year.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
MAX PAIN	-13.18%	4.12%	-7.88%	20.00%	19.88%	34.14%	34.29%
Balanced 60/40	0.89%	12.95%	3.78%	8.09%	7.83%	5.88%	9.80%
S&P 500	1.59%	20.60%	10.92%	14.21%	12.52%	7.00%	11.67%

Maximum Drawdown, single largest drawdown.

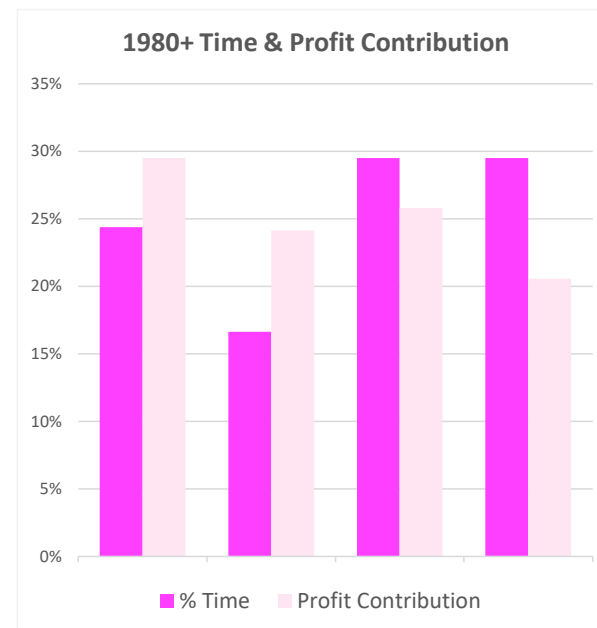
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
MAX PAIN	-13.18%	-34.06%	-63.67%	-63.67%	-63.67%	-63.67%	-67.06%
Balanced 60/40	0	-6.84%	-20.09%	-20.09%	-20.09%	-32.33%	-32.33%
S&P 500	0	-8.33%	-23.92%	-23.92%	-23.92%	-50.79%	-50.79%

Ulcer Index, the higher the number the more painful downside volatility. Considers all downside not just maximum.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
MAX PAIN	9.32	15.66	39.45	31.50	24.40	18.00	21.71
Balanced 60/40	-	2.49	10.82	8.63	6.27	8.24	6.44
S&P 500	-	3.01	9.89	8.37	6.39	16.43	12.86

Sortino Ratio, risk adjusted performance measure - bigger number is better.

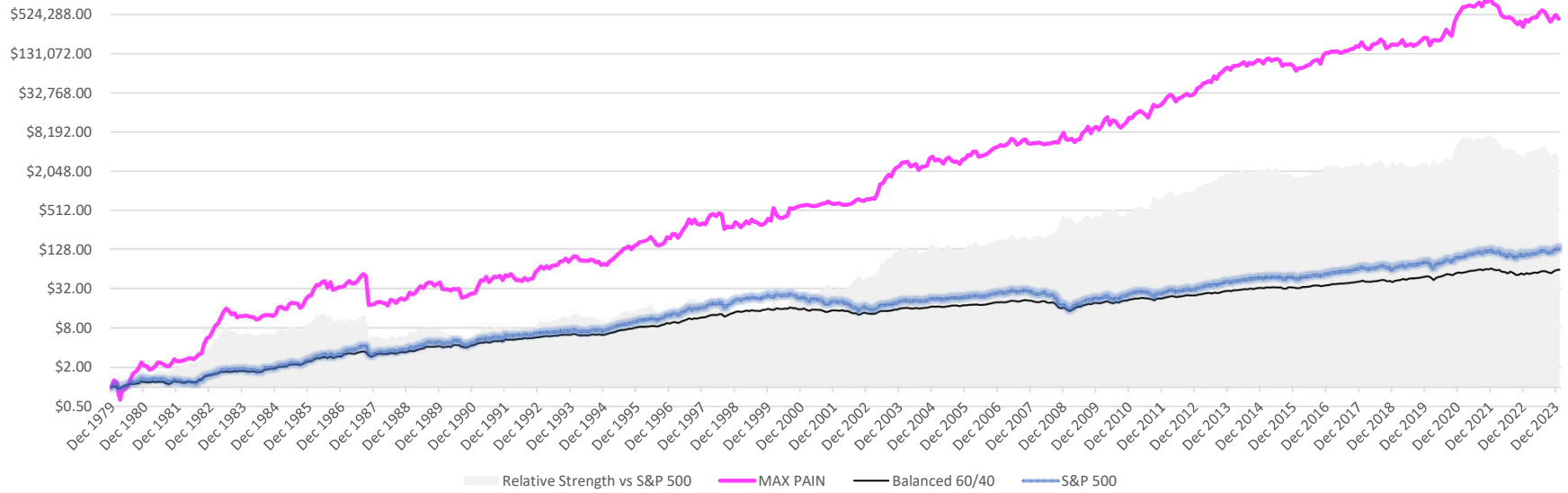
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
MAX PAIN	(3.46)	(1.29)	(1.53)	(0.89)	(1.09)	1.45	1.36
Balanced 60/40	(3.46)	(2.83)	(2.82)	(2.77)	(2.97)	0.13	0.70
S&P 500	(3.46)	(2.46)	(2.31)	(2.20)	(2.48)	0.25	0.67



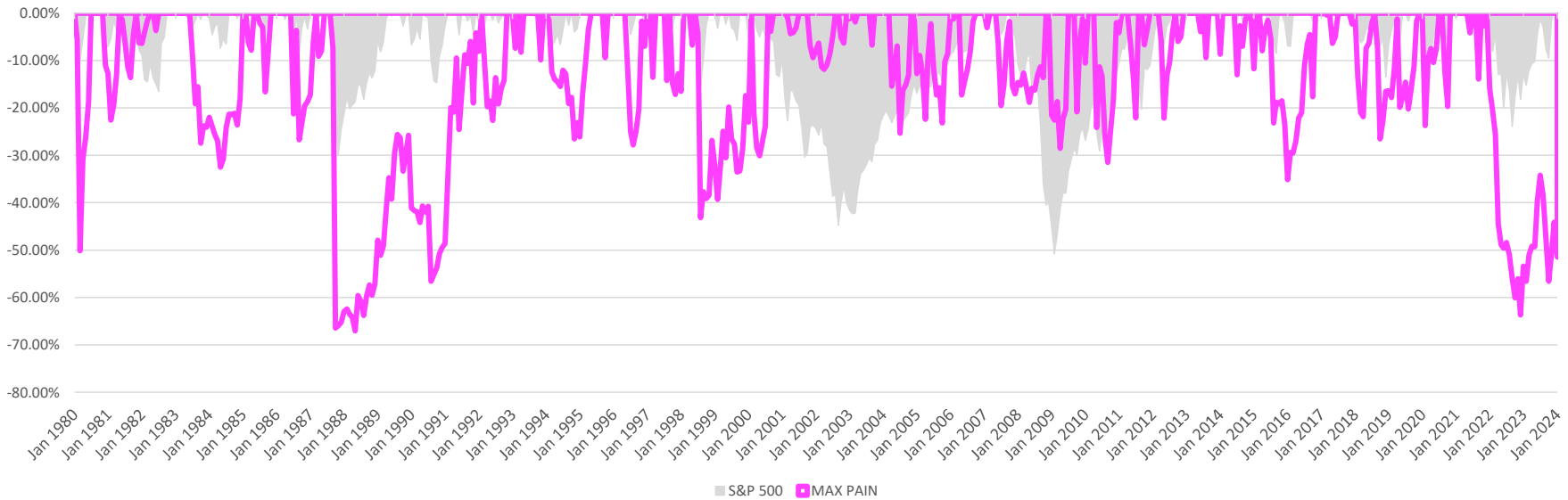
The MAX PAIN inception date January 2021, out of sample since then and before 2000.

Dual Momentum Systems: MAX PAIN

MAX PAIN vs Benchmarks | 1980+ Equity Chart | logarithmic scale chart



MAX PAIN vs S&P 500 Drawdown | 1980+



The MAX PAIN inception date January 2021, out of sample since then and before 2000.

Dual Momentum Strategies: Profit Farmer

A Minimum Variance Adaptive Asset Allocation strategy by Private Farmer

Results through 01/31/2024

Strategy Description:

Profit Farmer is a Minimum Variance Adaptive Asset Allocation strategy, it is not a DMS strategy, but created by a friend of DMS. I track it because I have invested in it myself. Profit Farmer is always leveraged to 300%.

Tax friendliness:

Profit Farmer has all Short Term Cap Gains.

Months between change of holdings:

Profit Farmer changes it's holdings virtually every month.

Portfolio size appropriateness:

Small Fry, Profit Farmer is only suitable for < \$500,000 allocations.

Characteristics:

Drawdowns: **Profit Farmer** has frequent and larger drawdowns than the S&P.

Volatility: **Profit Farmer** is far more volatile than the S&P over time.

Returns: **Profit Farmer** has incredibly huge historical returns compared to the S&P 500.

Strategy Components

EDC 3X Emerging Markets

URTY 3X Russell 2000

TQQQ 3X Nasdaq 100

TMF 3X Long Term Treasuries

DRN 3X Real Estate

Metric	2000+	05/1987+
Beta	1.33	1.37
Alpha	19.13%	22.67%

Annualized Returns, actual YTD for current year.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	05/1987+
Profit Farmer	-10.00%	-29.54%	-30.35%	-4.22%	15.03%	28.30%	32.08%
MAX PAIN	-13.18%	4.12%	-7.88%	20.00%	19.88%	34.14%	29.07%
S&P 500	1.59%	20.60%	10.92%	14.21%	12.52%	7.00%	10.19%

Maximum Drawdown, single largest drawdown.

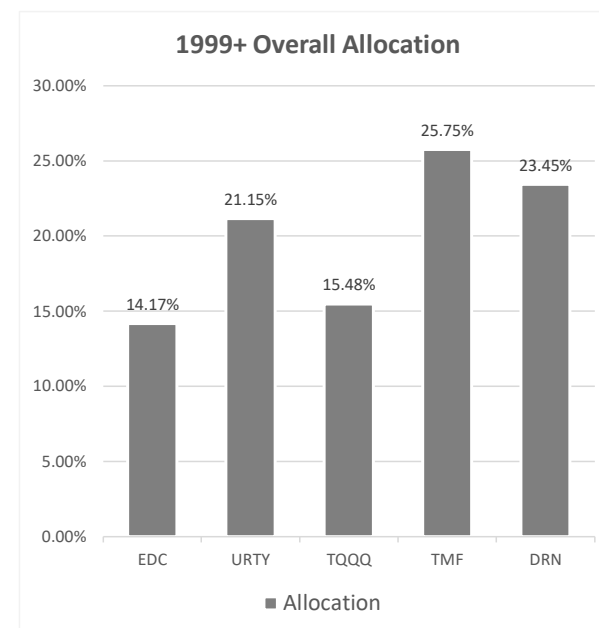
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	05/1987+
Profit Farmer	-10.00%	-44.86%	-86.54%	-86.54%	-86.54%	-86.54%	-86.54%
MAX PAIN	-13.18%	-34.06%	-63.67%	-63.67%	-63.67%	-63.67%	-67.06%
S&P 500	0	-8.33%	-23.92%	-23.92%	-23.92%	-50.79%	-50.79%

Ulcer Index, the higher the number the more painful downside volatility. Considers all downside not just maximum.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	05/1987+
Profit Farmer	7.07	29.23	59.62	46.70	33.67	25.56	21.92
MAX PAIN	9.32	15.66	39.45	31.50	24.40	18.00	22.84
S&P 500	-	3.01	9.89	8.37	6.39	16.43	13.90

Sortino Ratio, risk adjusted performance measure - bigger number is better.

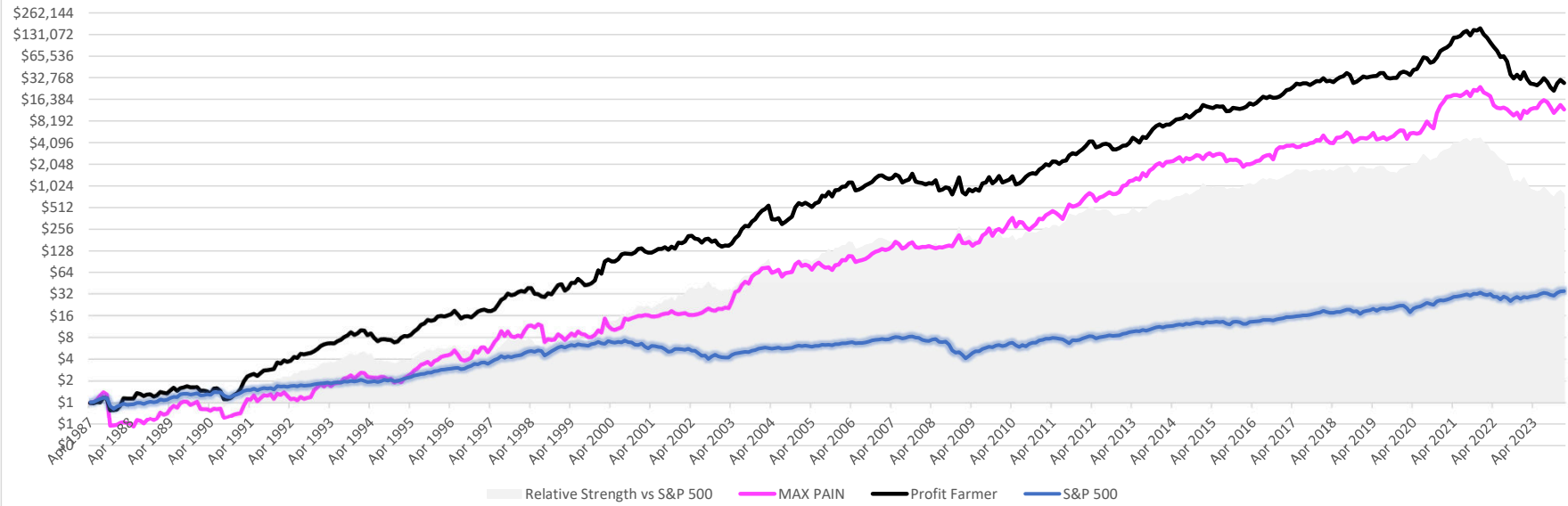
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	05/1987+
Profit Farmer	(3.46)	(1.80)	(1.71)	(1.36)	(1.25)	1.11	1.29
MAX PAIN	(3.46)	(1.29)	(1.53)	(0.89)	(1.09)	1.45	1.17
S&P 500	(3.46)	(2.46)	(2.31)	(2.20)	(2.48)	0.25	0.52



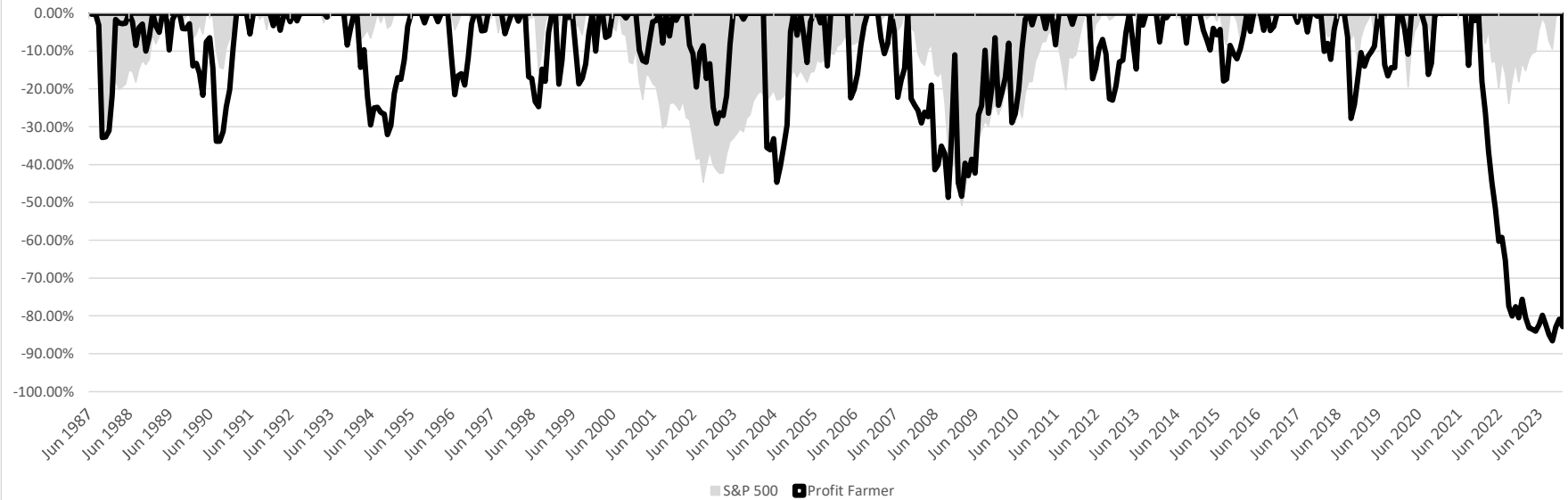
Strategy by Private Farmer

Profit Farmer, an Adaptive Asset Allocation by Private Farmer

Profit Farmer vs Benchmarks | May 1987+ Equity Chart | logarithmic scale chart



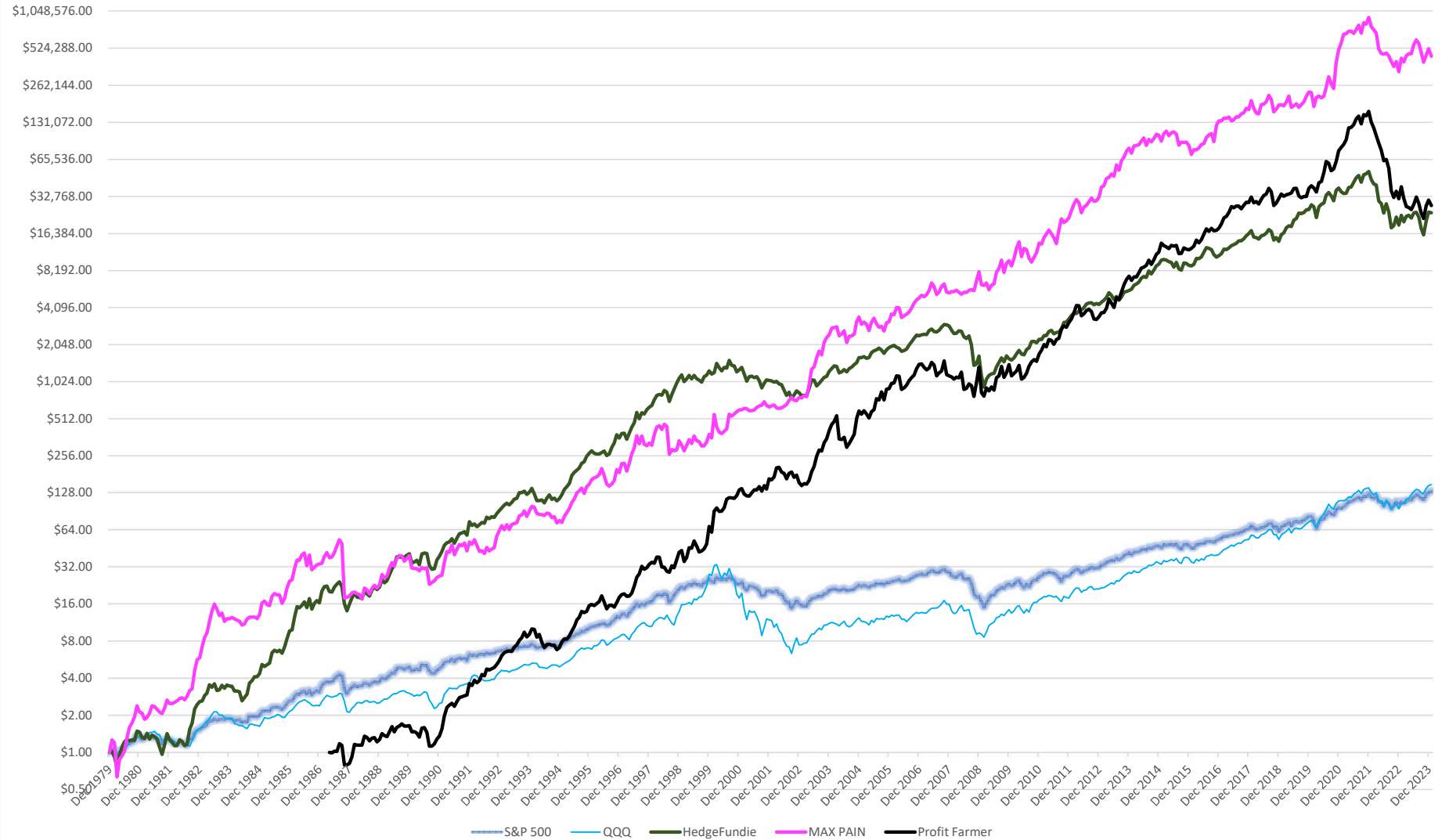
Profit Farmer vs S&P 500 Drawdown | May 1987+



Profit Farmer, an Adaptive Asset Allocation by Private Farmer

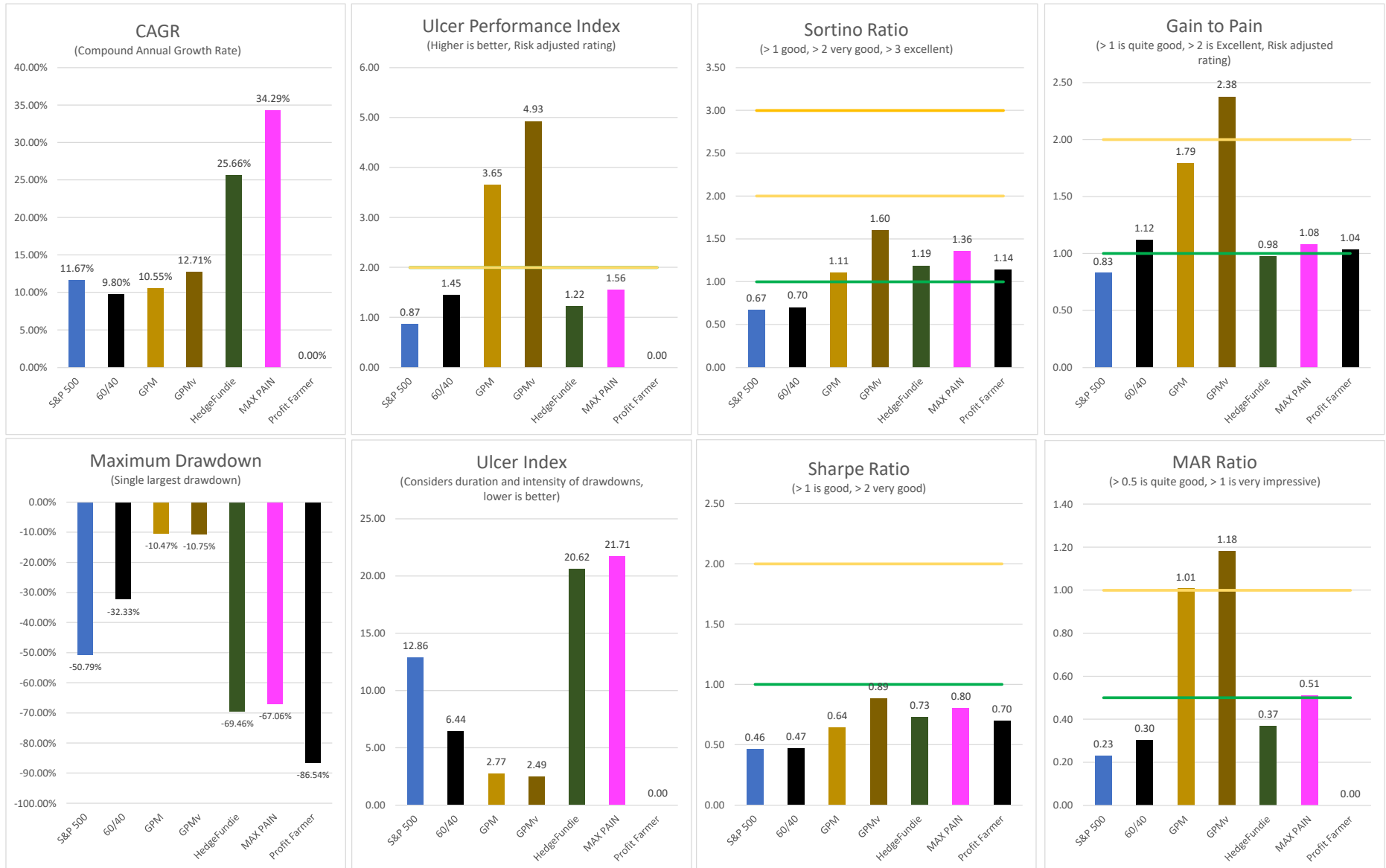
HedgeFundie vs MAX PAIN vs Profit Farmer vs Benchmarks 1980+ Equity Chart for Strategies which use leverage

logarithmic scale chart



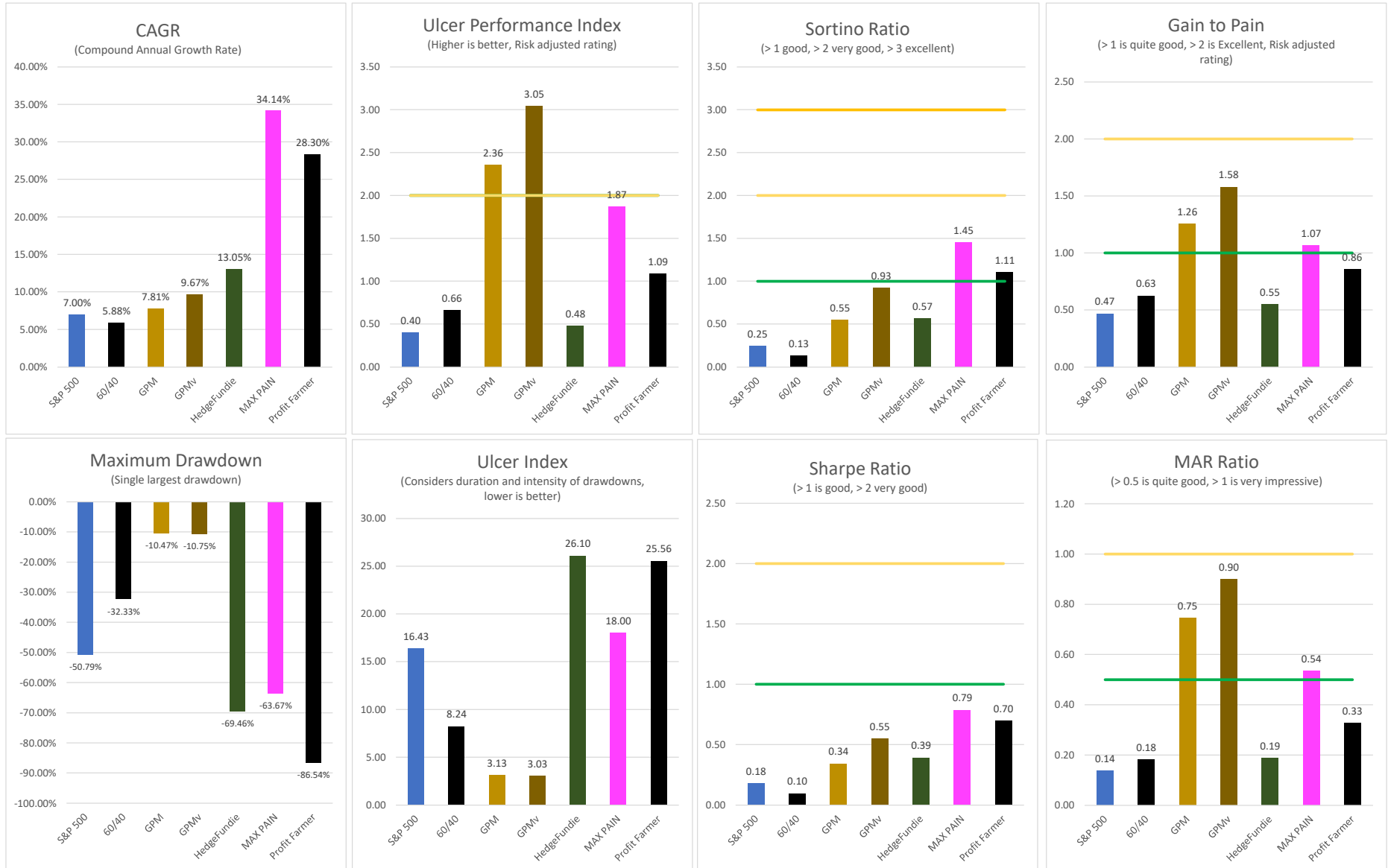
*Profit Farmer returns only back through May 1987

"Long Term" Metrics Comparisons: Strategies vs S&P 500 & 60/40 1980 to current



All Metrics are calculated from Monthly returns

"Modern Era" Metrics Comparisons: Strategies vs S&P 500 & 60/40 2000 to current



All Metrics are calculated from Monthly returns

36 Month Strategy Return Correlations

←Conservative

	S&P 500	Balanced 60/40	QQQ	GPM	GPMv	LT Gain 3X	HedgeFundie	MAX PAIN
S&P 500	100%							
Balanced 60/40	95%	100%						
QQQ	92%	93%	100%					
GPM	49%	39%	54%	100%				
GPMv	51%	38%	51%	85%	100%			
LT Gain 3X	0%	0%	0%	0%	0%	0%		
HedgeFundie	92%	91%	97%	52%	49%	0%	100%	
MAX PAIN	72%	72%	78%	58%	67%	0%	78%	100%