# Losses is Beautiful

## Cut Losses Short & Let Profits Run with Trailing Stop

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# Why Use Trailing Stops?

## The Secret Behind Trailing Stop Efficiency

# No One Can Always Predict The Future!

# It’s Makes Trend Following Strategy Comes True

# It's a Backbone of Trend Following Funds

**At a Glance from Jan 1980**

# It's a Backbone of Trend Following Funds

| | | | | | |
|---|---|---|---|---|---|
| **1980** | 63.69% | **1993** | 10.37% | **2006** | 3.54% |
| **1981** | 23.90% | **1994** | -0.65% | **2007** | 7.64% |
| **1982** | 16.68% | **1995** | 13.64% | **2008** | 14.09% |
| **1983** | 23.75% | **1996** | 9.12% | **2009** | -0.10% |
| **1984** | 8.74% | **1997** | 10.89% | **2010** | 7.05% |
| **1985** | 25.50% | **1998** | 7.01% | **2011** | -3.09% |
| **1986** | 3.82% | **1999** | -1.19% | **2012** | -1.70% |
| **1987** | 57.27% | **2000** | 7.86% | **2013** | -1.42% |
| **1988** | 21.76% | **2001** | 0.84% | **2014** | 7.61% |
| **1989** | 1.80% | **2002** | 12.36% | **2015** | -1.50% |
| **1990** | 21.02% | **2003** | 8.69% | **2016** | -1.19% |
| **1991** | 3.73% | **2004** | 3.30% | **2017** | -0.02%† |
| **1992** | -0.91% | **2005** | 1.71% | | |

†Estimated YTD performance for 2017 calculated with reported data as of March-22-2017 22:16 US CST

| | |
|---|---|
| Compound Annual Return | 9.58% |
| Sharpe Ratio | 0.37 |
| Worst Drawdown | 15.66% |
| Correlation vs S&P 500 | 0.01 |
| Correlation vs US Bonds | 0.14 |
| Correlation vs World Bonds | 0.00 |

# How Trailing Stop Works?

## The Basic Mechanism of All Trailing Stops

# Time-Series Momentum Anomaly

# Time-Series Momentum Anomaly

# The Many Faces of Trailing Stops

## And More … (Maybe 1000+ Types)

# The Basic Looks of Trailing Stop

# Reward-To-Risk (Pay-Off) Controller

# Thoughts on Trailing Stops

## Some Tips & Tricks For Using Trailing Stops

# Which One is The Best? : No One ...

**It Depends On :**

- **Each Market Behaviors (Type & Parameter)**
- **Your Trading Style & Expect Performance**
- **Your Lifestyle & Daily Routine**
- **...**

# Whipsaws is NORMAL … Bet Small!!

**70% of All Trades Will be Whipsaws!**

# Losses is Beautiful ... If You Handle It!

# Don’t Forget Fail-Safe Entry Stop!!

# Resources & References

Market Guru Forecast Statistics :
https://www.cxoadvisory.com/gurus/

CTA Performance :
https://www.barclayhedge.com/research/indices/cta/sub/cta.html

Time-Series or Absolute Momentum :
http://quantpedia.com/screener/Details/118

Some Basic Trailing Stop Types : http://mangmaoclu
stop/

Hybrid Time-Series Database : http://www.siamqua
database/

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