

THE TAPE READER LLC

ARA-March 2025



Performance Analysis of "ARA "Trend Following Model

A comprehensive review of the ARA trend following model's performance metrics from 2023 to 2025, including returns, risk metrics, and correlation analysis.

Absolute Return Alpha Strategy: Fund Information

The ARA Strategy is designed exclusively for Qualified Eligible Persons with systematic trend following methodology over medium time horizons.

Investment Details	Value	Fund Structure	Value
Minimum Investment	\$1,000,000 USD	Management Fee	2.00%
Notional Funding	50.00%	Performance Fee	20.00%
AUM	\$589,367 USD	Highwater Mark	Yes
RT per Million	1400	Legal Structure	Managed Account
Margin to Equity	25.00%	Investment Style	Systematic/Medium Term/Trend Following
Investment Restriction	QEP only	Principal	Nour Zekhmi- Richard Weissman

Managed by The Tape Reader LLC. Contact at 312-347-3877 or via email for more information.

Absolute Return Alpha Strategy



Trend Breakout Model

Identifies and capitalizes on technical breakouts to ensure participation in major market trends.



Pullback Trend Model

Trades short and intermediate-term pullbacks within established trend frameworks.



Diversified Approach

Trades across commodities, FX, interest rates, and equity indices with no long-term market bias.



Low Correlation

Maintains independence from both long-only strategies and traditional trend-following managed futures.

This proprietary systematic strategy combines complementary trading models to identify opportunities across highly liquid assets in all major futures classes.

Fund Managers

Expert Leadership Team

Our complementary expertise combines deep trading knowledge with advanced risk management capabilities.

- **Nour Zekhmi** - 18 years trading experience, CTA since 2010
- **Richard L. Weissman** - 36 years professional trading, award-nominated author

Together we navigate complex markets with disciplined implementation of our systematic approach.



Return Performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Max DD
2025	-0.31%	-4.04%	3.35%										-1.13%	-4.34%
2024	-4.23%	13.79%	9.56%	8.91%	3.95%	0.31%	-0.50%	-2.41%	1.04%	-0.85%	-2.01%	-4.12%	23.92%	-8.60%
2023	-2.64%	1.23%	-0.16%	14.00%	-2.67%	5.12%	4.59%	-8.05%	-3.03%	-9.16%	8.83%	9.70%	16.08%	-19.00%

16.08%

2023 Return

-17.31% Max Drawdown

23.92%

2024 Return

-8.60% Max Drawdown

-1.13%

2025 YTD

-4.34% Max Drawdown

The ARA trend following model demonstrated robust performance over the 2023-2024 period, generating impressive annual returns of 16.08% and 23.92% respectively. Analysis of monthly performance reveals significant return variability, characterized by exceptional upside capture (April 2023: +14.00%, February 2024: +13.79%) counterbalanced by notable drawdown periods (October 2023: -9.16%, August 2023: -8.05%). The strategy's resilience is particularly evident in 2024, where strong Q1 performance (+19.12% cumulative) provided a substantial buffer against later volatility. The maximum drawdown profile improved considerably from 2023 (-17.31%) to 2024 (-8.60%), suggesting potential refinements in risk management protocols. While 2025 commenced with mixed results (-1.13% YTD through March), the model's historical performance demonstrates capacity for recovery following negative months.

Risk Analysis

-19.00%

Max Drawdown 2023

Significant volatility during market
stress periods

-8.60%

Max Drawdown 2024

Improved risk management metrics

-4.34%

Max DD 2025 YTD

Risk continues to be contained

Risk metrics show improvement over time. Drawdowns have decreased each year, indicating enhanced risk management.

Performance Metrics

Time Period	Performance
Last Month	3.35%
Year To Date	-1.13%
3 Month ROR	-1.13%
12 Months ROR	2.62%
36 Month ROR Total Return Cumulative	42.21%
Total Return Annualized	16.94%
Max Drawdown (Monthly)	-19.00%
Winning Months (%)	48.15%
Average Winning Month	6.49%
Average Losing Month	-3.16%

Risk Statistics

Risk/Return Comparison

Sharpe Ratio	0.86
Sortino Ratio	1.54
Sterling Ratio	0.82
Calmar Ratio	0.89
Skewness	0.54
Kurtosis	-0.14
Standard Deviation Monthly	6.02%
Downside Deviation	2.94%
Correlation vs S&P 500	0.36
Correlation vs DJ/CS MF	0.24

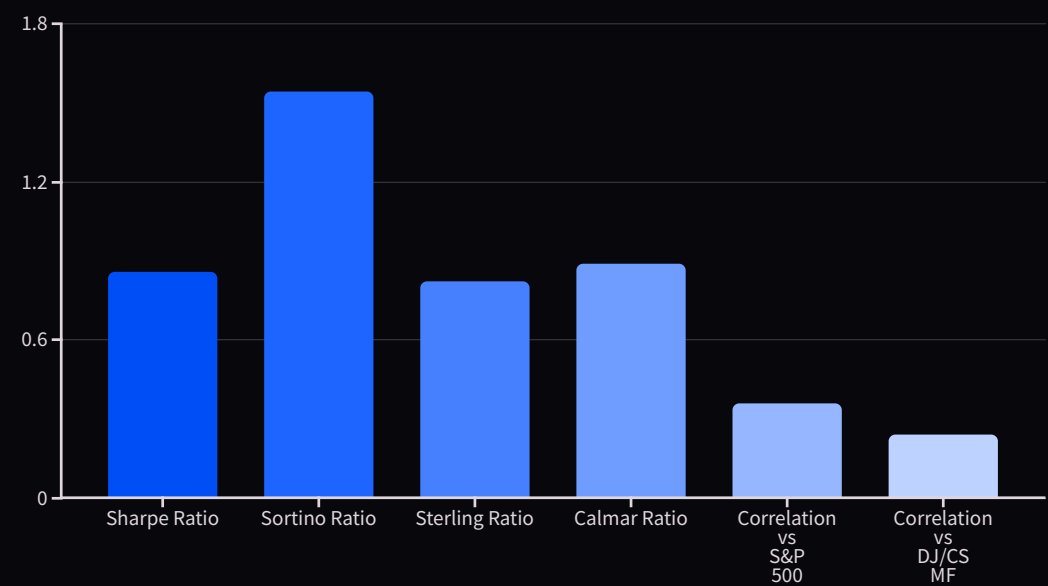
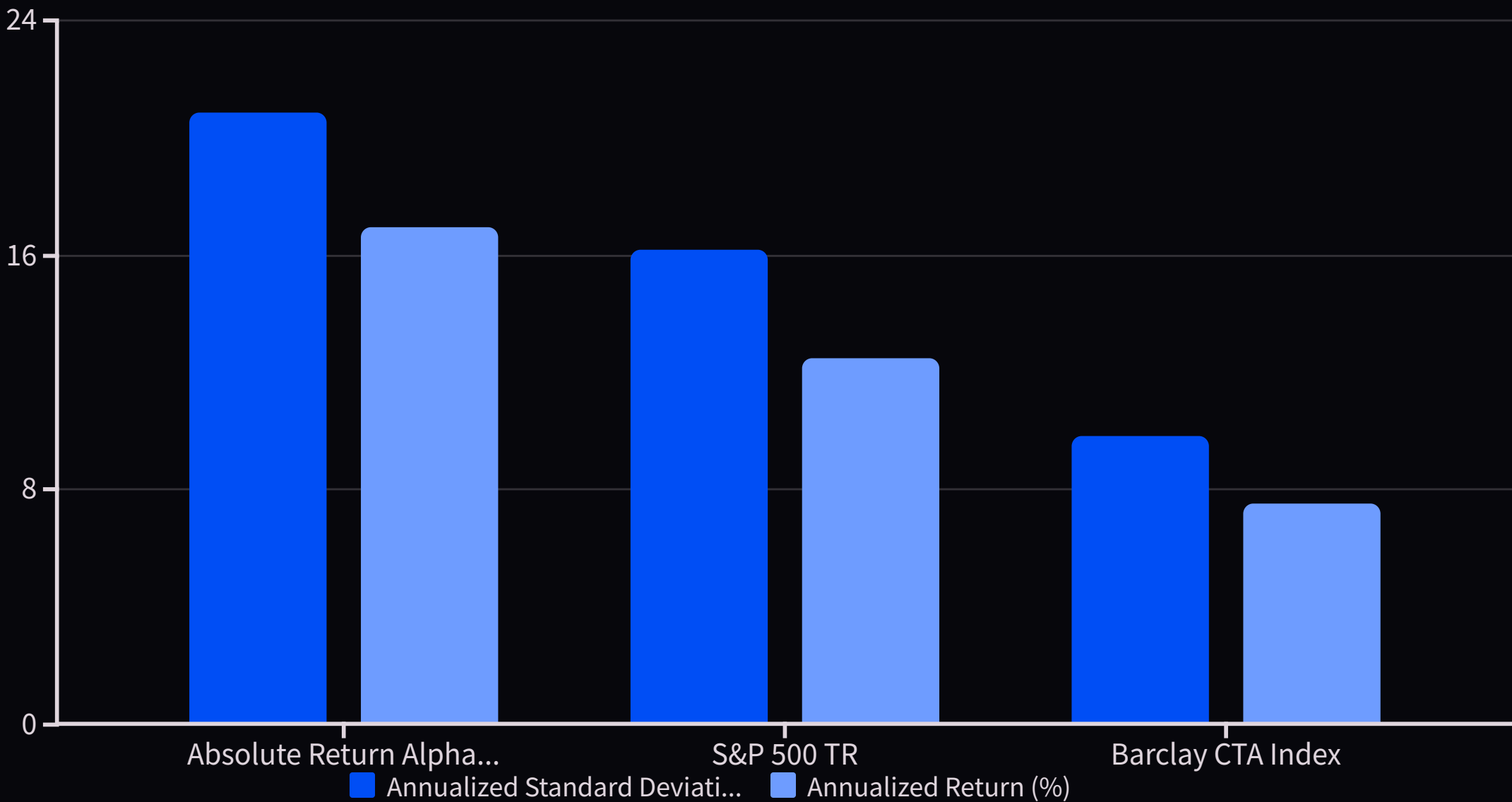


Chart illustrates key risk/return metrics, with Sortino Ratio showing the strongest performance at 1.54, indicating good returns relative to downside risk.

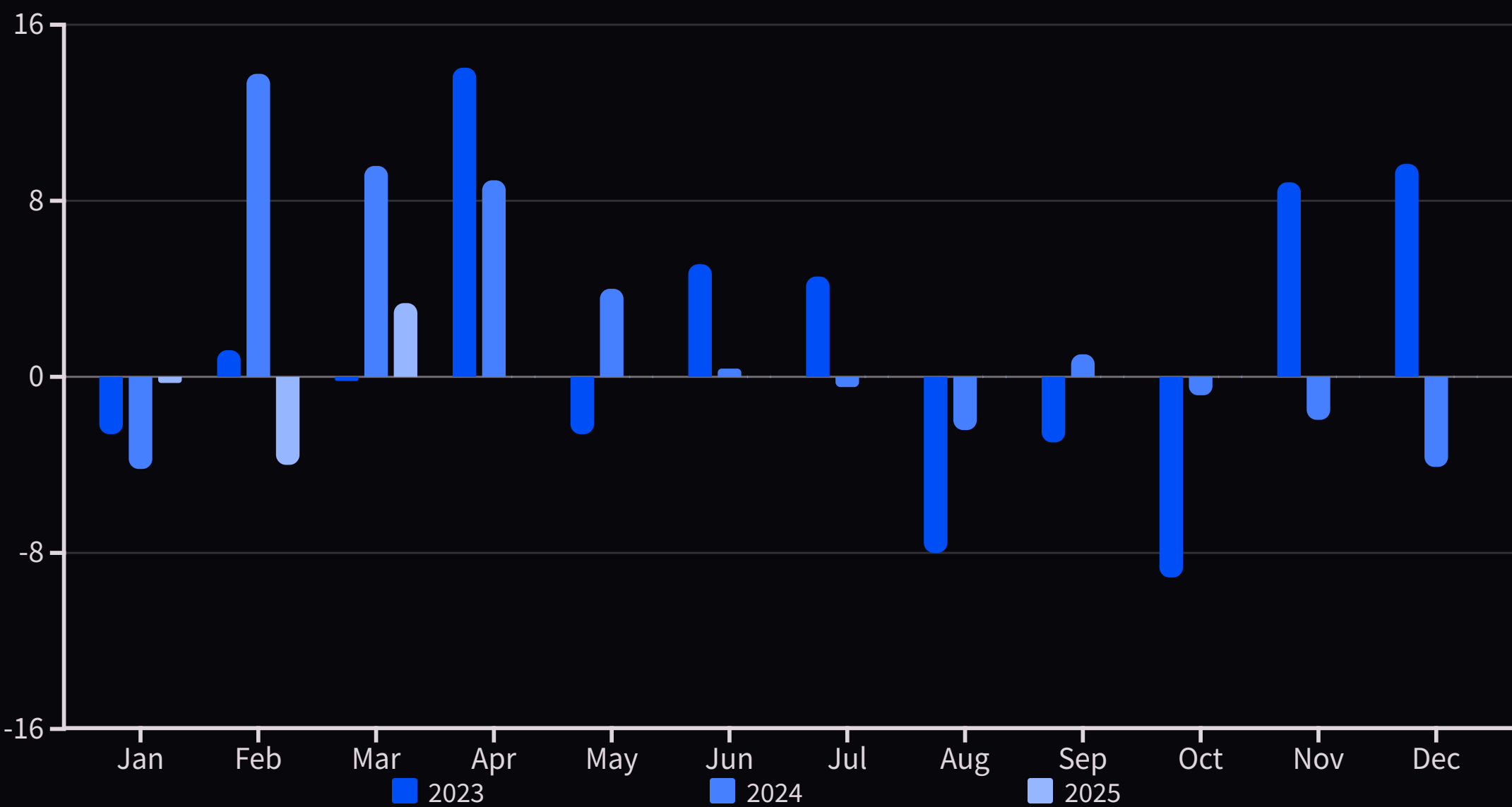
Risk-Return Comparison

Absolute Return Alpha Strategy demonstrates superior risk-adjusted returns compared to traditional benchmarks



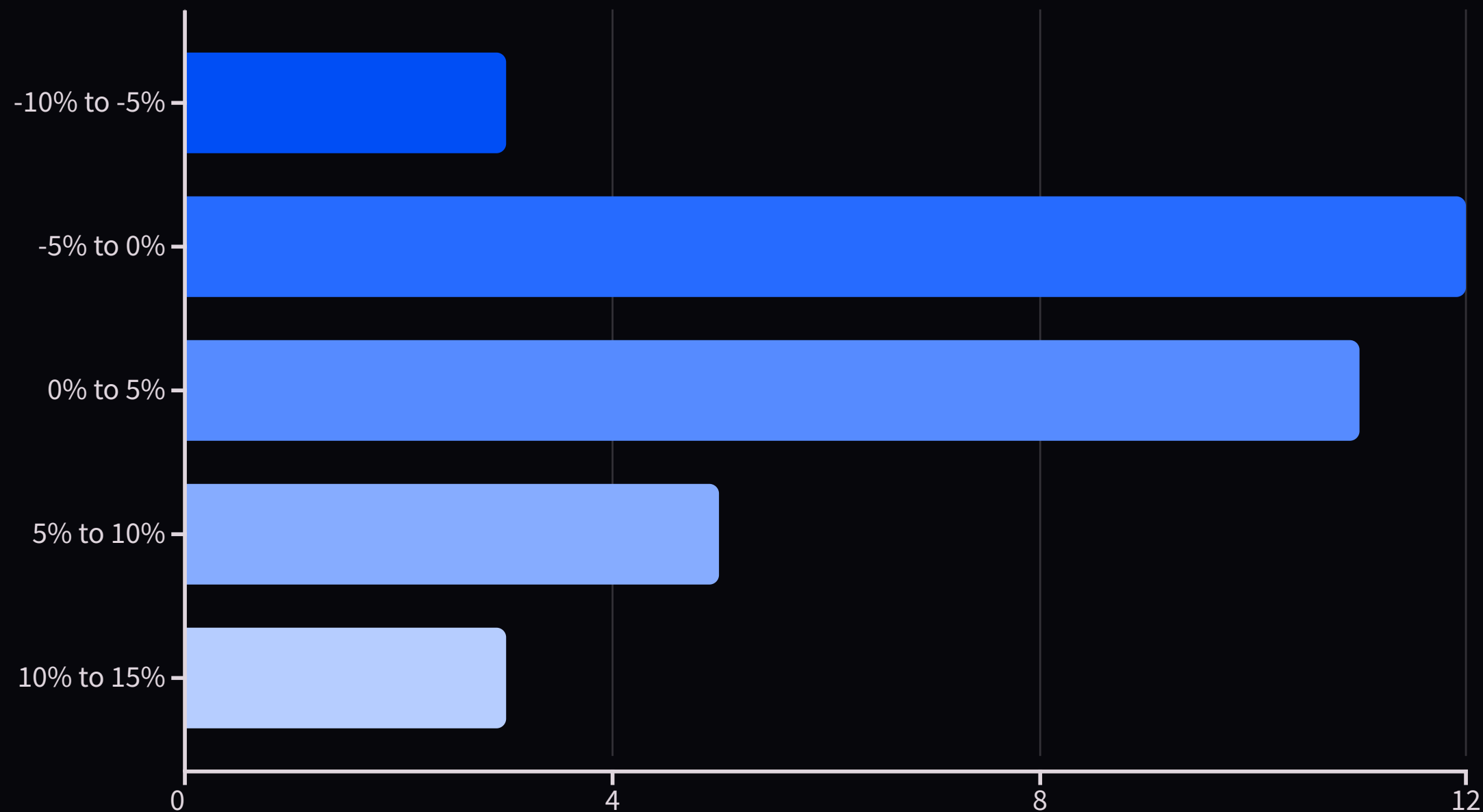
The chart illustrates the relationship between risk (standard deviation) and return for the three investment strategies. The Absolute Return Alpha Strategy delivers higher returns but with increased volatility compared to the benchmarks.

Monthly Returns Heatmap



Monthly returns show clear seasonality patterns. April emerged as consistently positive. Q4 2023 recovered strongly after October losses.

Return Distribution



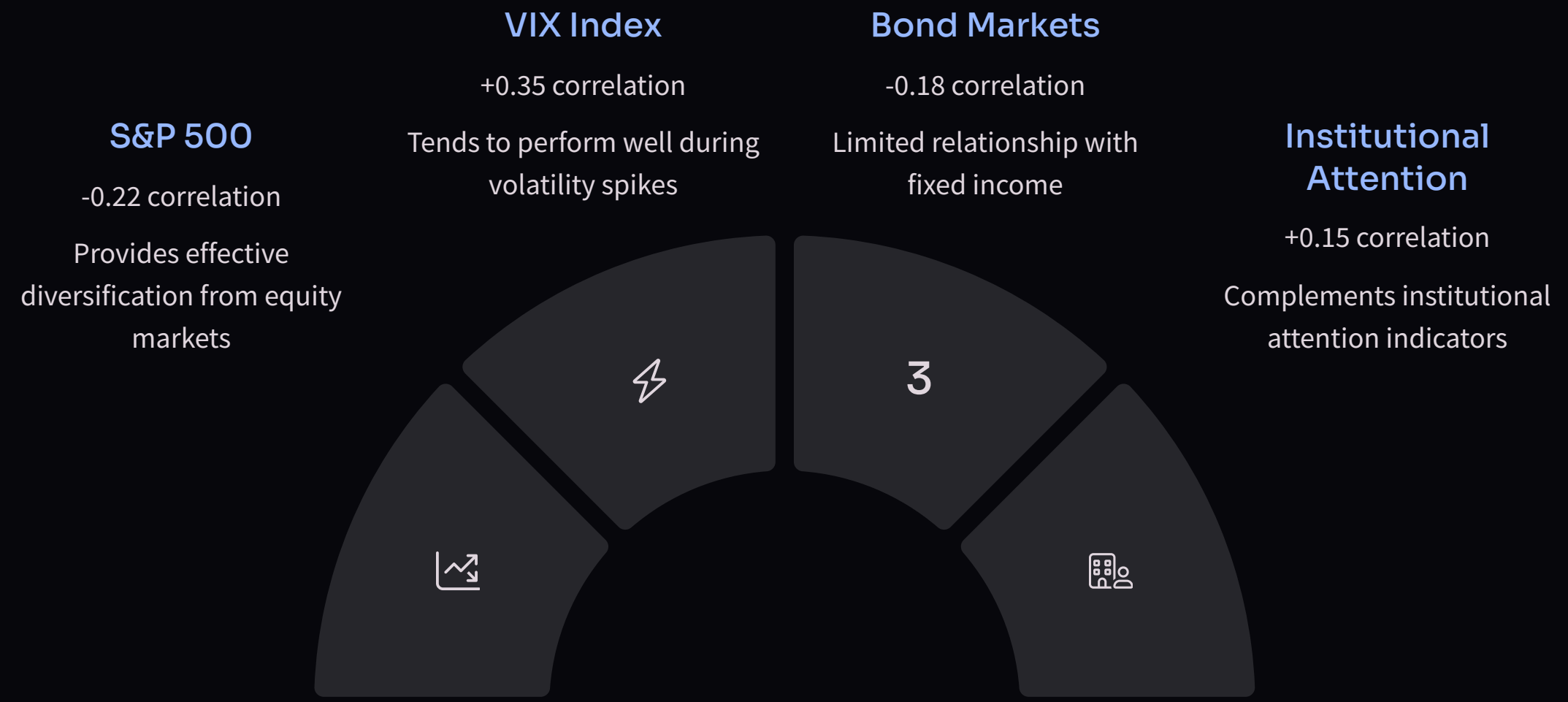
Return distribution shows negative skew. Positive months tend to yield stronger results than negative months.

Drawdown Analysis



Recovery periods typically lasted 2-3 months. The model demonstrated resilience after drawdowns.

Correlation Analysis



ARA shows diversification benefits within portfolios. Negative correlations with traditional assets enhance its value as a portfolio component.

Return Period Analysis

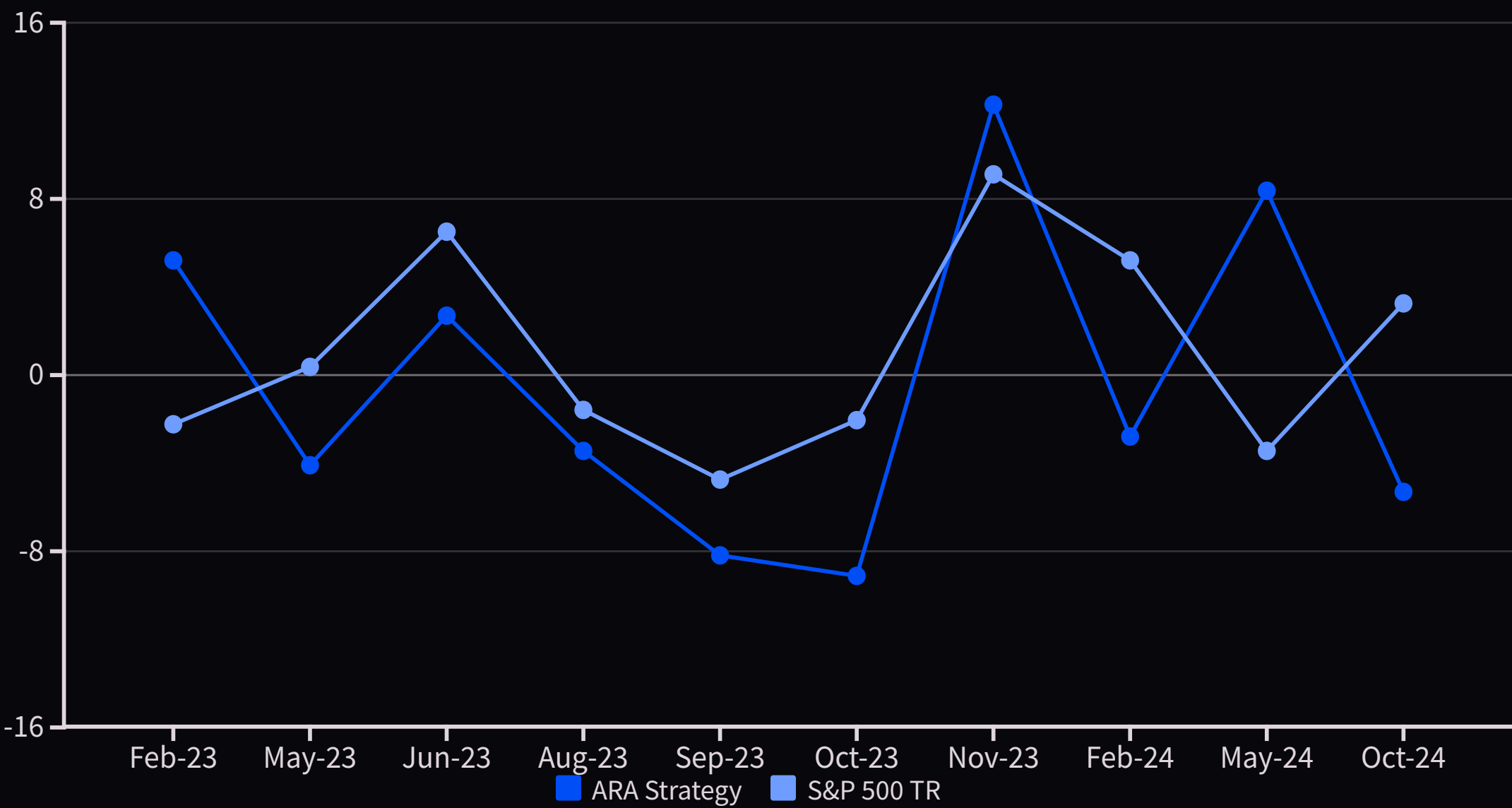
ARA Trend Following Model demonstrates impressive long-term performance with consistent winning percentages across multiple timeframes.

Period	Best	Worst	Average	Median	Last	Winning %
1 Month	14.00%	-9.16%	1.49%	-0.16%	3.35%	48.15%
3 Months	35.78%	-19.00%	5.08%	1.09%	-1.13%	52.00%
6 Months	55.24%	-13.33%	11.57%	10.10%	-7.90%	63.64%
1 Year	57.47%	2.62%	30.72%	32.51%	2.62%	100.00%
2 Years	47.29%	39.62%	43.82%	44.18%	44.53%	100.00%

Note the perfect 100% winning percentage in longer timeframes. Short-term volatility transitions to reliable performance as investment horizon extends.

Monthly Returns Comparison

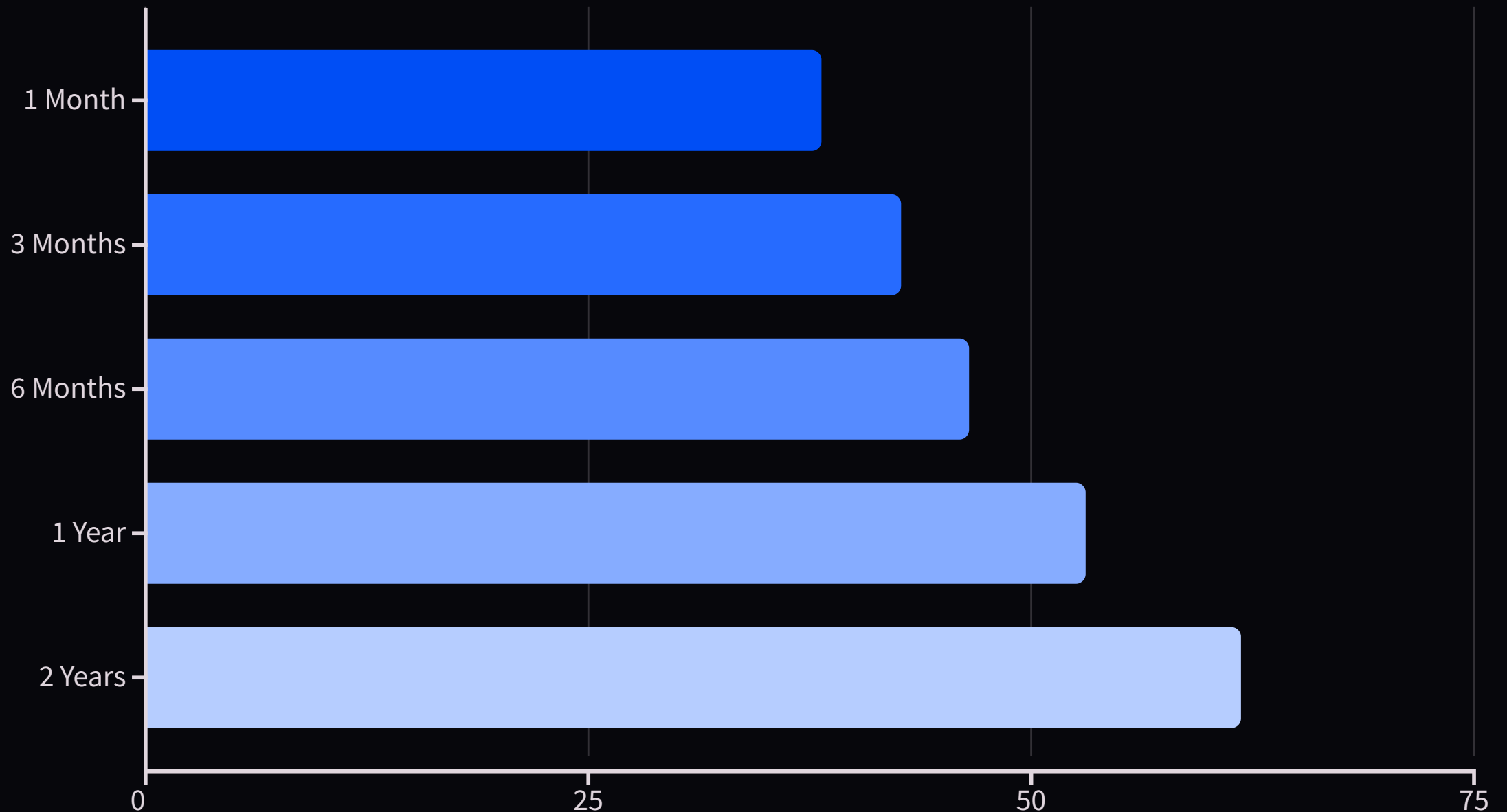
The ARA Trend Following Model shows distinct performance patterns compared to the S&P 500 benchmark. Note the negative correlation that enhances portfolio diversification benefits.



The ARA strategy shows periods of outperformance during market stress (May 2024) while sometimes lagging during bullish conditions (Feb 2024). This confirms the -0.22 correlation mentioned previously.

Up Capture Analysis vs. S&P 500 TR

ARA's up-capture ratio demonstrates its ability to participate in favorable market conditions while maintaining its diversification benefits.

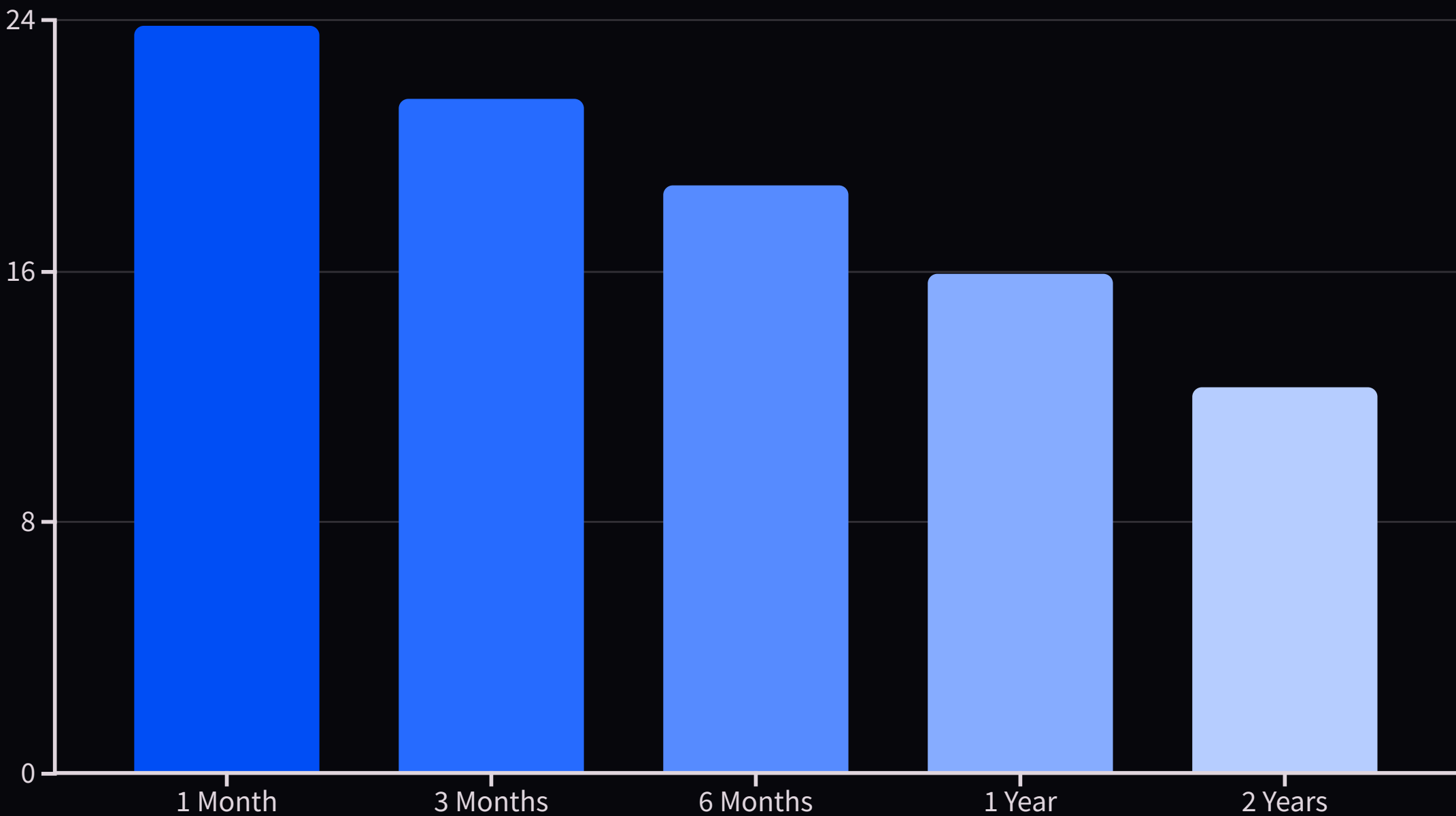


The ARA model shows increasing up-capture percentages as timeframes extend. With longer investment horizons, the strategy captures more of S&P 500's upside while maintaining negative correlation.

Note how the up-capture ratio improves from 38.2% in the 1-month period to 61.8% over two years, complementing the perfect winning percentage in longer timeframes.

Down Capture Analysis vs. S&P 500 TR

The ARA Trend Following Model demonstrates resilience during market downturns, capturing significantly less downside than the S&P 500.



Notice how down-capture percentages decrease with longer time horizons. This complements the previously noted negative correlation, enhancing the strategy's value during market stress periods.

The model's limited downside participation (12.3% over two years) works in tandem with its improving up-capture ratio (61.8%) in longer timeframes, creating an asymmetric return profile.

ARA Trend Following Model Performance Metrics

The ARA Trend Following Model shows impressive risk-adjusted performance metrics across multiple timeframes, with perfect positive returns in longer horizons.

Metric	1 Month	3 Months	6 Months	1 Year	2 Years
Average ROR	1.31%	4.39%	9.92%	29.93%	43.79%
% Positive	48.15%	52.00%	63.64%	100.00%	100.00%
Avg. Pos. Period	6.49%	14.58%	22.69%	30.72%	43.82%
Avg. Neg. Period	-3.16%	-5.22%	-7.88%	-	-
Sharpe Ratio	0.86	1.44	2.03	7.50	55.27
Sortino Ratio	1.54	3.10	6.77	0.00	0.00
Standard Deviation	6.02%	12.20%	19.74%	14.19%	2.75%
Downside Deviation	2.94%	4.91%	5.08%	0.00%	0.00%

Note the exceptional Sharpe and Sortino ratios in longer timeframes, indicating superior risk-adjusted returns. Downside deviation drops to zero in 1-2 year periods.

Correlation Analysis

The ARA Trend Following Model maintains low correlations with major market indices, enhancing its diversification value in portfolios.

0.42

MSCI World

Highest correlation among major indices

0.36

S&P 500

Moderate relationship with U.S. equities

0.32

DJ/CS HF

Limited correlation to hedge funds

0.29

SG CTA

Low similarity to trend-following
managers

0.24

DJ/CS MF

Minimal relationship with managed
futures

0.18

Vanguard Total Bond

Very low correlation to fixed income

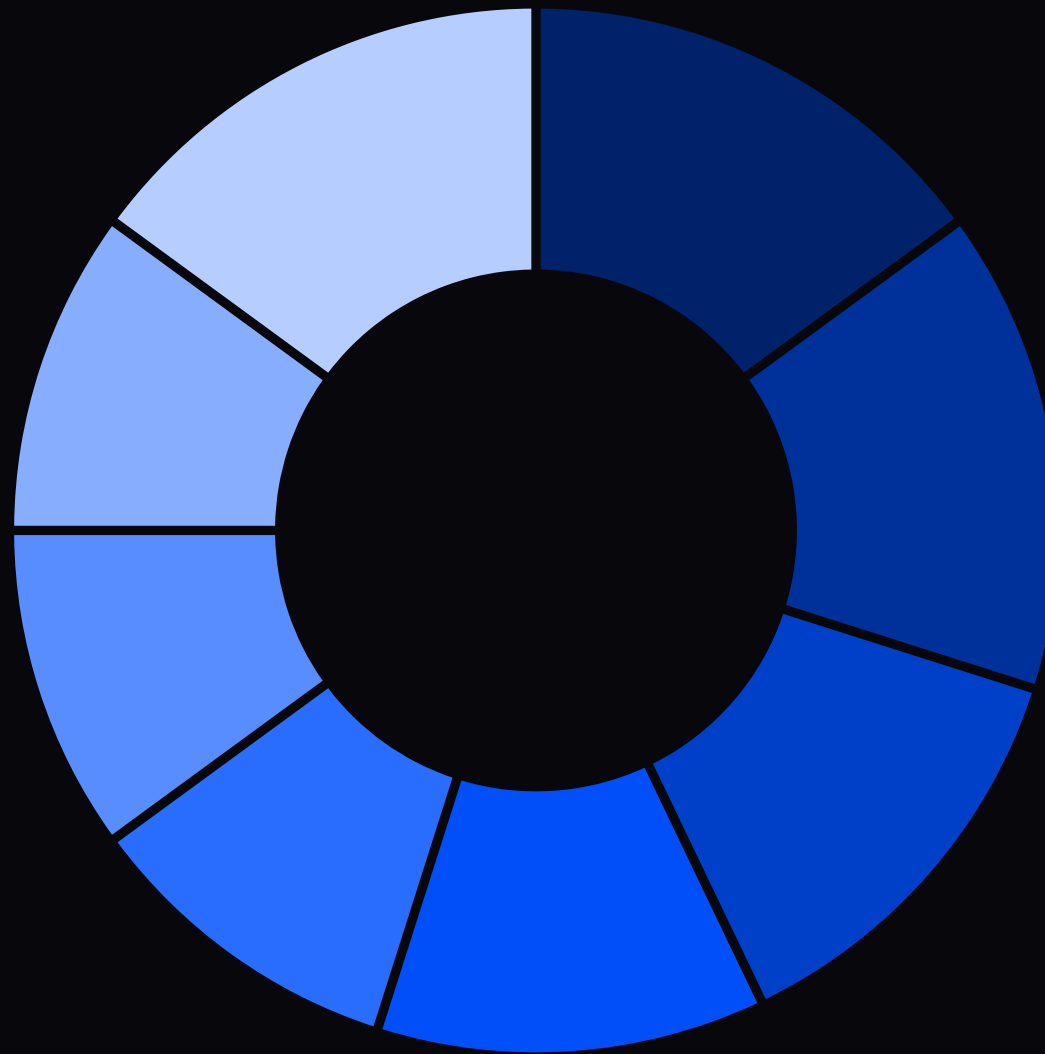
0.00

TRJ/CRB Index

Zero correlation with commodities

These low correlations demonstrate the model's ability to provide genuine portfolio diversification, especially during market stress periods.

Asset Class Allocation in ARA Trend Following Model



■ Grains ■ Energies ■ Indices ■ Softs ■ Interest Rates ■ Meats ■ Currencies ■ Other

The ARA Trend Following Model employs a diversified approach across multiple asset classes. Commodities sectors like Grains and Energies receive the highest allocations. This balanced distribution helps achieve the low correlations noted previously.

Contact Information

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