IQ Security Fund
Algorithmic trading

INVESTMENT PRESENTATION

IQ Security Fund

Basket 50 Strategy

Algorithmic asset management in digital-asset markets

Based on data through October 2026 · issued 1 November 2026

$45M	200+	2019	12+ yrs
assets under management	active clients	live trading in crypto markets	of trading-system development

STRUCTURE

IQ Security Fund operates through two entities: **IQ Security, osoba rizikového kapitálu, s.r.o.** (Czech Republic), registered with the **Czech National Bank (CNB)** under Section 15 of Act No. 240/2013 Coll. (ZISIF) for fund management; and **IQ Security Fund Inc.** (Republic of Panama), the contracting entity for separately managed account (SMA) mandates. Full corporate and registration details are available to qualified investors on request.

IMPORTANT INFORMATION

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Past performance does not determine or guarantee future results. Algorithmic strategies in digital-asset markets involve substantial market risks, including high volatility, liquidity, technological and regulatory risks; asset values can rise as well as fall, up to the loss of a significant part or all of the investment. The strategy is suitable only for investors able to bear such risks.

Performance figures herein are shown gross of fees and based on verified historical trading data; investor results net of fees will be lower. Figures are computed from daily PnL series of trading accounts and exchange market data; methodology available on request. Certain statements may be forward-looking; actual results may differ materially. Information is current as of the cover date and subject to change without notice.

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About IQ Security Fund

IQ Security Fund is an asset management company running its own algorithmic strategies in digital-asset markets. Strategies execute via API on separately managed accounts (SMA): **capital never leaves the investor's account**. A principle we do not break: **risk control first, return second.** Decisions are made by the system on formalised rules.

WHO WE WORK WITH

We work exclusively with **professional funds, family offices and qualified investors**. Our clients include hedge funds and proprietary trading firms from the algorithmic-trading industry. Capital always stays on the client's account; key information and performance verification are disclosed during due diligence.

Execution venues: Binance · Bitget · Bybit · Kraken · KuCoin · BingX · OKX · and others

FOUNDERS



Ilia Zhuchkov

FOUNDER · CEO · UAE

12+ years in investing, trading and asset management. Founder of IQ Security Fund: sets strategic direction, investment policy and risk-management standards. Together with the lead quant, drives research, testing and discovery of new strategies.



Sergey Dolgov

CO-FOUNDER · PARTNER · UAE

7+ years in algorithmic trading, investing and asset management. Leads business development: onboarding institutional clients (hedge funds, family offices) worldwide, partnerships and negotiations. Actively involved in strategy development and selection.

APPROACH

01 System, not forecast
The algorithm decides on formalised rules, without manual intervention.

02 Risk before return
Fixed risk and a stop-loss on every trade. Priority: capital preservation.

03 Full transparency
Reporting and metrics verified by exchange data during due diligence.

04 Mature edge
Momentum and mean reversion are well-studied market effects. We rely only on patterns proven over time and working across markets.

COMPANY HISTORY

2012
Core trading system built and launched on the stock market.

2019
Systems moved to crypto markets; start of continuous live trading.

2023
Strategies opened to external capital; first institutional mandates.

2026
$45M under management, 200+ clients, a portfolio of several basket strategies.

Basket 50 Strategy

Basket 50 is IQSF's flagship capital-intensive strategy: a basket of systematic trading systems combining the **momentum effect** and a **mean-reversion** approach. Combining two distinct approaches improves portfolio robustness and delivers returns across market phases. The strategy targets short-term moves and has historically been especially strong amid frequent local corrections.

IQSF strategies' effectiveness is confirmed by consistent performance over a long period, across bull, bear and sideways cycles. Correlation of daily returns to BTC over the full history is -0.02: the result is driven by the system, not by market direction.

MONTHLY RETURNS 2019-2026, %

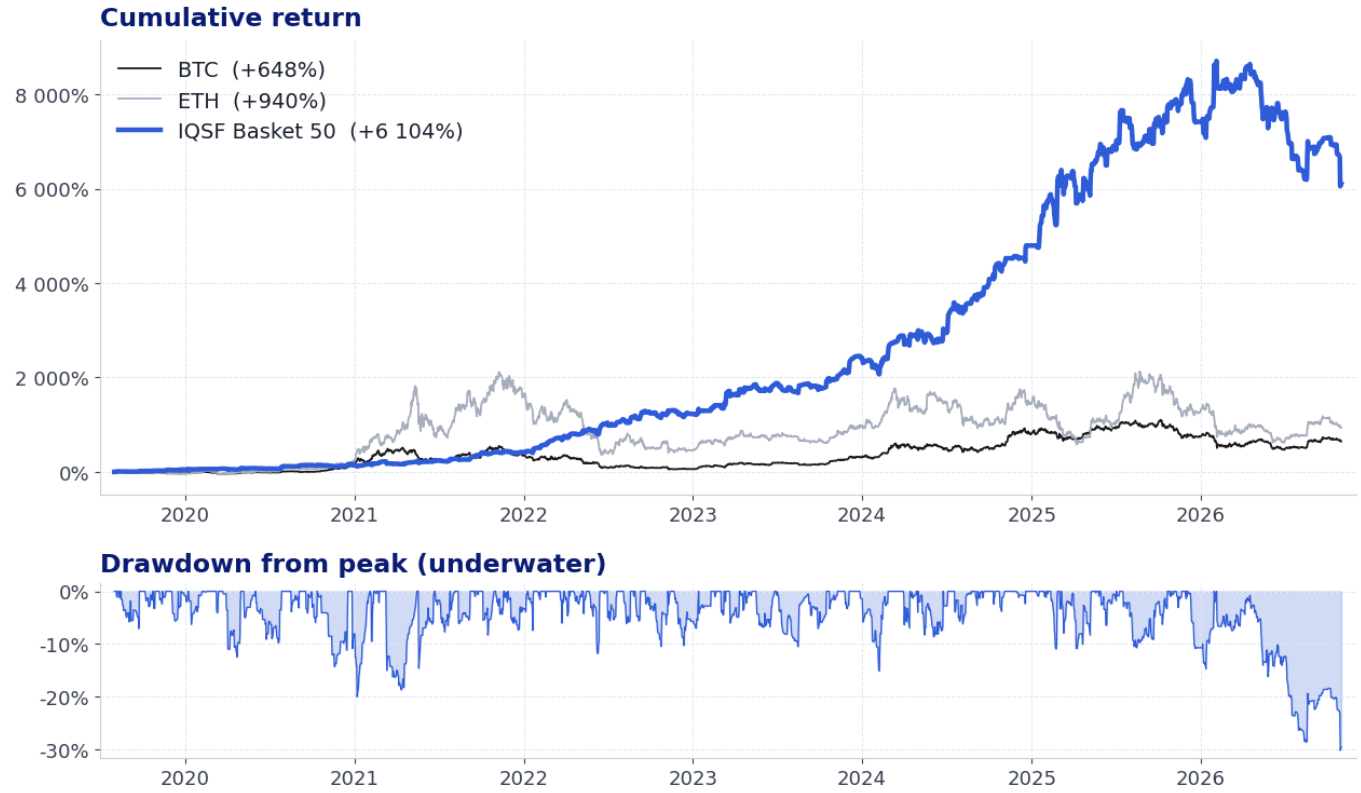
Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year
2019								7.49	13.37	4.03	14.68	3.42	**166.19**
2020	6.04	2.07	-0.02	11.02	-0.57	-4.58	28.37	-1.32	13.80	-3.16	-7.54	12.69	**65.80**
2021	7.90	18.36	-15.05	11.02	4.85	9.05	7.70	-2.19	31.51	11.06	0.19	-1.86	**108.33**
2022	18.41	24.45	11.50	4.77	10.31	16.02	3.95	5.25	8.36	-1.91	-0.69	0.57	**155.87**
2023	5.07	8.32	15.17	7.27	-2.72	8.28	-4.73	4.56	-5.46	11.47	6.16	14.87	**89.61**
2024	-7.82	20.32	5.93	-1.93	-0.42	5.36	14.61	10.02	6.03	9.68	4.22	5.15	**94.25**
2025	17.17	10.47	2.16	-5.84	12.58	1.41	9.10	-6.22	6.60	3.90	2.70	-7.18	**53.54**
2026	13.69	-3.46	2.85	-0.31	-8.30	-0.54	-15.90	7.60	2.69	-13.46			**-17.45**

Negative values are highlighted in blue. The "Year" column is the calendar-year result: 2019 is annualised (trading from August), 2026 is the cumulative result as of 31 October 2026. All figures gross of fees, on verified trading data.

PERFORMANCE VS THE MARKET

Basket 50 vs BTC and ETH · August 2019 to October 2026

daily data



Figures are computed from real trading data on a Binance account. On other exchanges results may differ depending on liquidity, fees and execution. The daily PnL series is available on request for the allocator's own calculations.

Key metrics · 31 October 2026

RETURN		DRAWDOWNS		RATIOS	
Total return since August 2019	6,104.12%	Maximum account drawdown	-30.13%	Annualised volatility	30.12%
Annualised return (CAGR)	76.71%	Maximum single-day	-14.58%	Calmar ratio	2.55
Average monthly return	5.22%	Average account drawdown	-4.72%	Sortino ratio	5.57
Positive months	70%	Longest drawdown	269 days	Sharpe ratio	2.06
Profit factor	1.58	Average drawdown length	19 days	Daily VaR (95%)	-2.43%
Profitable years	7 of 7	Design max (tolerable)	-30...-35%	Correlation to BTC	-0.02

Design maximum drawdown (-30...-35%), a reference with a safety margin, derived from historical data and stress-modelling of scenarios not yet observed in the market. It is not a guarantee or a hard limit: actual drawdowns may exceed prior extremes, which is a normal part of the strategy.

Computed from daily returns over the full live-trading period (August 2019 to October 2026), risk-free rate 0%; Sharpe and Sortino from monthly returns (×√12), per the IQSF strategy-panel methodology.

RETURN ASYMMETRY

Only 41% of trading days close positive, yet the outcome carries a positive expectancy: each trade's loss is capped by fixed risk while winning moves are several times larger. Volatility is the strategy's working environment, and over longer horizons the asymmetry becomes increasingly consistent.

×2.0
average winning month (9.5%) vs average losing month (-4.7%)

+1.21
skewness (skew) of daily returns, bias toward large moves to the upside

41% · 70% · 80%
day, month, quarter: the longer the horizon, the more often the period closes positive: the horizon works for the investor

7 of 7
all closed calendar years (2019-2025) positive

TRADING LOGIC

The strategy focuses on trading local trends, volatility spikes and mean reversion on highly liquid instruments. Every trade opens with fixed risk. Losing positions are never averaged, while winning positions may be scaled via pyramiding. The system works both long and short, but each trade is always opened on a single side only.

Strong market moves are not a threat to the strategy: they are most often the main source of returns. The absence of trades during extreme volatility is deliberate: the large stop-losses needed to preserve the risk/reward ratio make entries unfavourable. Given the rarity of sustained trends and the potential for deep retracements before large targets, the IQSF algorithms choose caution. The approach rests on historical analysis and capital preservation.

TECHNOLOGY

Trading edge
This is not HFT and uses no machine learning. The edge of most systems rests on the momentum effect, well studied and used by many leading funds. All decisions are made by the algorithm on formalised rules, without manual intervention or subjective forecasts.

Execution module
Market entry uses market orders. For large positions a high-speed TWAP algorithm splits orders over time to minimise slippage and market impact. Each trade stays within a single exchange, with no cross-exchange arbitrage; the strategy can be deployed across venues.

Data & backtesting
Every component has been tested across multiple markets: FX, commodities and crypto, over ten years of data. The system is optimised on Binance BTC/USDT data but remains profitable on other exchanges and pairs. Monte Carlo simulation is used as an auxiliary tool.

Risk, parameters & terms

RISK MANAGEMENT

01 System reliability

Core components unchanged for 12+ years; regular testing and simulation under any stress conditions. Live crypto trading since 2019, over 6 years.

02 Fixed risk

Every trade opens with fixed risk; stop-losses and take-profits account for current volatility. No manual intervention.

03 Exchange risk

Risk measured on capital, not only margin; robust API integration and proprietary software; 24/7 monitoring by automation and staff.

04 Venue flexibility

The strategy trades within a single exchange and is not cross-exchange arbitrage. It can be deployed across different exchanges, reducing single-venue dependence.

STRATEGY PARAMETERS

Traded assets	**BTC and ETH, perpetual futures**
Position holding	**Up to 3 days**
Stop-losses (fixed risk)	**In use**
Automation	**Full**
Trades per month	**0-40**
Strategy capacity	**$200M**
AUM (all strategies)	**$45M**
Reported figures	**Gross of fees**

INVESTMENT TERMS

Minimum allocation	**$300,000**
Recommended horizon	**3+ years**
Management fee	**0%**
Setup fee	**None**
Performance fee	**25-30% · High-Water Mark**
Fee crystallisation	**Quarterly**
Lock-up	**None, withdraw anytime**
Investment form	**Managed sub-account (SMA)**
Custody of capital	**Investor's exchange account**
Collateral	**USDT / BTC / ETH**

OUR STRATEGY DOES NOT

- × use machine learning or predict the market
- × average down losing positions
- × qualify as HFT
- × use cross-exchange arbitrage
- × allow manual intervention
- × bet on market direction (correlation to BTC ≈ 0)

INVESTMENT HORIZON

3+ years

Recommended investment horizon. Markets move through different cycles: growth, drawdowns, recovery. The strategy's edge shows over a full cycle, not over individual weeks or months. Investors enter at different points, so over short intervals personal results depend largely on the entry point rather than the system itself. Over a longer horizon this difference smooths out.

DUE DILIGENCE & NEXT STEPS

01

Introduction

Call with the IQSF team; standard DDQ, daily PnL series and reporting on request.

02

Due diligence

Disclosure of key information: methodology, reporting, track-record verification via exchange data.

03

Mandate

SMA parameters: allocation size, risk profile, collateral, reporting cadence.

04

Onboarding

Sub-account on the investor's exchange, API connection, trading start. Disconnect anytime.