



**IQ Security Fund**  
Algorithmic trading

## INVESTMENT PRESENTATION

# IQ Security Fund

## Basket 70 Strategy

Algorithmic asset management  
in digital-asset markets

Based on data through September 2026 · issued 1 October 2026

**\$45M**

assets under management

**200+**

active clients

**2019**

live trading in crypto markets

**12+ yrs**

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 70 Strategy

Basket 70 is a capital-intensive IQSF strategy: active **trend-following on the momentum effect**, enhanced by **volatility clustering**, with a **mean-reversion** component to improve portfolio efficiency. Combining these approaches strengthens robustness across market phases and captures returns from sustained directional moves and 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 |       |       |        |       |       |       |        | 6.47  | 11.77 | 4.74  | 13.79 | 1.97  | 142.45 |
| 2020 | 6.02  | 1.73  | 1.31   | 8.88  | -0.70 | -4.48 | 25.20  | -1.54 | 12.85 | -2.42 | -7.54 | 8.81  | 54.11  |
| 2021 | 7.64  | 21.21 | -15.90 | 8.89  | 4.75  | 10.60 | 11.64  | -1.34 | 33.46 | 8.96  | 6.10  | 0.29  | 135.95 |
| 2022 | 17.48 | 24.39 | 11.19  | 4.96  | 13.29 | 16.35 | 2.92   | 9.04  | 12.03 | -1.26 | 0.70  | 1.47  | 185.14 |
| 2023 | 4.11  | 8.72  | 16.60  | 8.41  | -4.24 | 10.90 | -4.65  | 3.91  | -4.86 | 11.67 | 6.00  | 13.65 | 92.68  |
| 2024 | -7.26 | 20.13 | 6.26   | -0.70 | 3.08  | 4.95  | 12.11  | 9.42  | 4.11  | 8.22  | 3.92  | 7.51  | 96.36  |
| 2025 | 8.27  | 6.27  | 1.52   | -4.62 | 6.60  | 0.06  | 8.49   | -5.98 | 5.02  | 2.30  | 1.67  | -5.08 | 25.71  |
| 2026 | 11.40 | -3.13 | 4.07   | -1.59 | -7.31 | 0.03  | -10.86 | 4.69  | 1.96  |       |       |       | -2.51  |

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 30 September 2026. All figures gross of fees, on verified trading data.

### PERFORMANCE VS THE MARKET

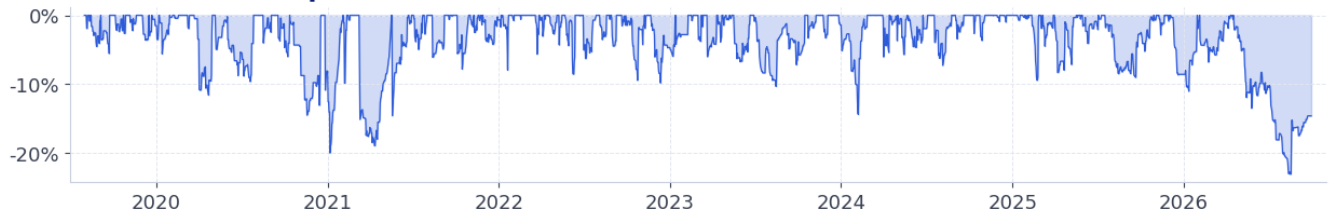
#### Basket 70 vs BTC and ETH · August 2019 to September 2026

daily data

##### Cumulative return



##### Drawdown from peak (underwater)



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 · 30 September 2026

### RETURN

|                                |                  |
|--------------------------------|------------------|
| Total return since August 2019 | <b>6,853.72%</b> |
| Annualised return (CAGR)       | <b>80.77%</b>    |
| Average monthly return         | <b>5.37%</b>     |
| Positive months                | <b>77%</b>       |
| Profit factor                  | <b>1.69</b>      |
| Profitable years               | <b>7 of 7</b>    |

### DRAWDOWNS

|                          |                    |
|--------------------------|--------------------|
| Maximum account drawdown | <b>-23.08%</b>     |
| Maximum single-day       | <b>-14.58%</b>     |
| Average account drawdown | <b>-4.03%</b>      |
| Longest drawdown         | <b>166 days</b>    |
| Average drawdown length  | <b>18 days</b>     |
| Design max (tolerable)   | <b>-30... -35%</b> |

### RATIOS

|                       |               |
|-----------------------|---------------|
| Annualised volatility | <b>27.37%</b> |
| Sharpe ratio          | <b>2.28</b>   |
| Sortino ratio         | <b>6.93</b>   |
| Calmar ratio          | <b>3.50</b>   |
| Daily VaR (95%)       | <b>-2.18%</b> |
| Correlation to BTC    | <b>-0.02</b>  |

**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 September 2026), risk-free rate 0%; Sharpe and Sortino from monthly returns ( $\times\sqrt{12}$ ), 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.

 **$\times 1.8$** 

average winning month (8.4%) vs average losing month (-4.8%)

**+0.95**

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

**41% · 77% · 83%**

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

Basket 70 combines active trend-following on the momentum effect and volatility clustering with a mean-reversion component on highly liquid instruments. Every trade opens with fixed risk. Losing positions are never averaged, while winning positions may be pyramided. 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            | <b>BTC and ETH, perpetual futures</b> |
| Position holding         | <b>Up to 3 days</b>                   |
| Stop-losses (fixed risk) | <b>In use</b>                         |
| Automation               | <b>Full</b>                           |
| Trades per month         | <b>0-40</b>                           |
| Strategy capacity        | <b>\$200M</b>                         |
| AUM (all strategies)     | <b>\$45M</b>                          |
| Reported figures         | <b>Gross of fees</b>                  |

## INVESTMENT TERMS

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

## 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  $\approx$  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.