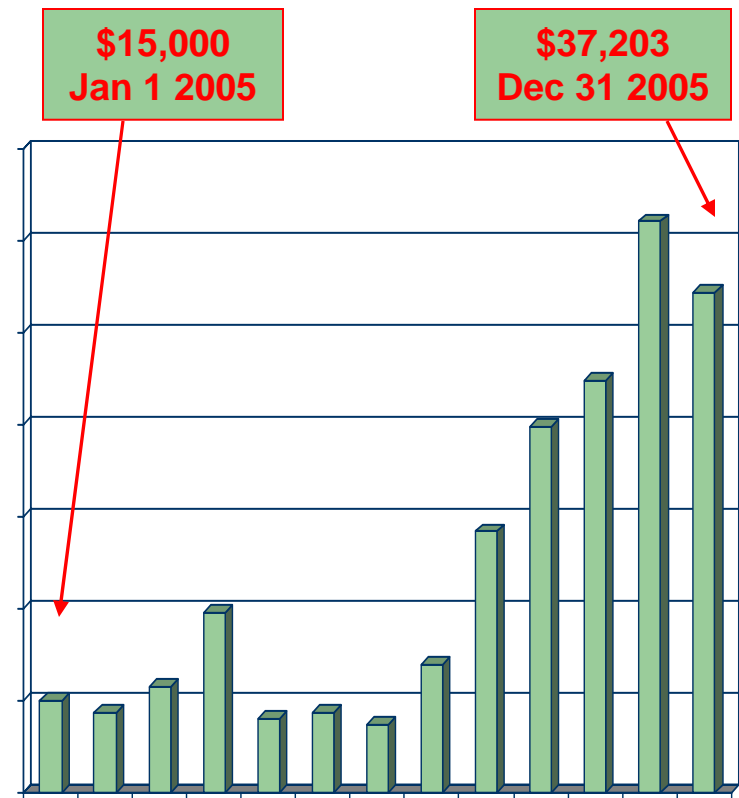


World Cup University

**“How I Finished 2nd in
the
World Cup
Championship of
Futures Trading® in
2005”**

By Kevin J. Davey

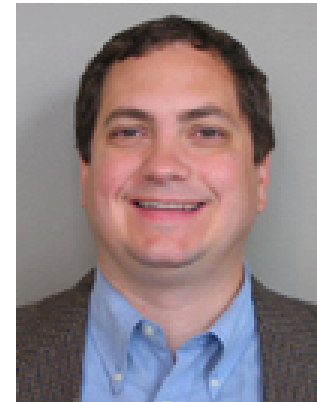


Today's Agenda

- **Who Am I / Who is Kevin Davey?**
 - Trader background
- **What Did I Accomplish in 2005?**
 - 2nd Place Finish in 2005 World Cup Contest
- **How Exactly Did I Finish 2nd?**
 - 5 Steps to a Successful Trading System
- **How To Follow My Trades**
 - Details on AutoTrade™ Service
- **Questions and Answers**

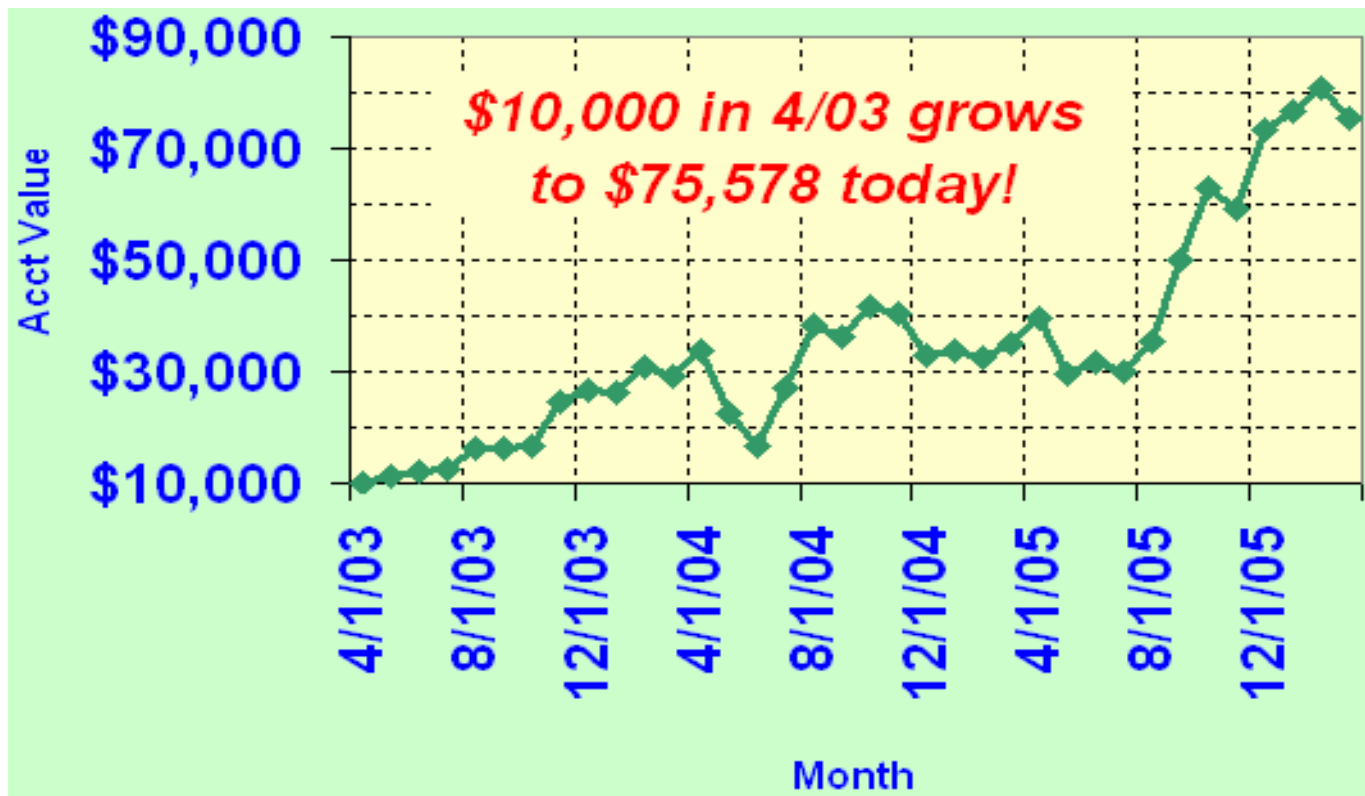
Who Am I / Who is Kevin Davey?

- **Futures Trader for 15 years**
- **Certified MBA (4.0 GPA, top 25 school)**
- **Award Winning Software Developer**
 - *Car Lease Calculator Software*
- **Top Executive in Aerospace Quality Assurance and Engineering**
 - Where Attention to Detail is a MUST!
- **Honored as Up & Coming Business Leader**
 - “40 Under 40” *Crain’s Business Magazine*



Who Am I / Who is Kevin Davey?

- **15 Years Futures Experience**
 - First 12 Years Spent “paying tuition” but...
- **Last 3 Years Have Been HUGELY successful!**



What Did I Accomplish in 2005?

- Turned **\$15,000** into **\$37,203** AFTER commissions in the World Cup of Futures Trading Championship®



How Exactly Did I Finish 2nd?

- **5 Steps to a Successful Trading System**

- Step 1: Have a Plan
- Step 2: Find a Strategy
- Step 3: Check and Double Check
- Step 4: Execute Your Strategy
- Step 5: Monitor and Adjust as Necessary



Bull and Bear Trophy,
Given to World Cup
Winners

- Based on the article in Trader's Media, available at www.kjtradingsystems.com

Step 1 – Have a Plan

- Know What You Want
- Know Your Up-Front Investment
- Know How Much To Risk



Whether you are developing your own system or following an advisor, this step is critical!

Step 1 – Have a Plan

- **How I Did it...**
 - **Know What You Want**
 - I wanted to win contest – 50/50 chance of 200% return
 - **Know Your Up-Front Investment**
 - TIME - After having preliminary system, I spent about 4-6 months, 15 hours per week refining and enhancing my system
 - **Know How Much To Risk**
 - I was willing to accept a 20% chance of a significant capital loss in the first year

World Cup Championship of Futures Trading® Top Overall Performances - All Divisions

2004: Kurt Sakaeda 929%
2003: Int'l. Capital Mngt. 88%
2002: John Holsinger 608%
2001: David Cash 53%
2000: Kurt Sakaeda 595%
1999: Chuck Hughes 315%
1998: Jason Park 99%
1997: Michelle Williams 1,000%
1996: Reinhart Rentsch 95%
1995: Dennis Minogue 219%
1994: Frank Suler 85%
1993: Richard Hedreen 173%
1992: Mike Lundgren 212%
1991: Thomas Kobara 200%
1990: Mike Lundgren 244%
1989: Mike Lundgren 176%
1988: David Kline 148%
1987: Larry Williams 11,376%
1986: Henry Thayer 231%
1985: Ralph Casazzone 1,283%
1984: Ralph Casazzone 264%

Step 1 – Have a Plan

- **How YOU Can Do It**
 - **Know What You Want**
 - What rate of return do you desire?
 - **Know Your Up-Front Investment**
 - How much time and money to find a system?
 - **Know How Much To Risk**
 - What are you willing to lose (\$), how long can you stick to it?



Step 2 – Find a Strategy

- Skill Assessment
- Research
- Detailed Development



Most people jump right to the 3rd point (detailed development), but the first 2 points are critical!

Step 2 – Find a Strategy

- **How I Did It...**

- **Skill Assessment**

- I determined what I was good at (attention to detail, quality focus, programming ability) and built a system to my strengths

- **Research**

- I saw what worked long term (trend following), what hype to avoid (day trading using red and green signals)

- **Detailed Development**

- I developed a strategy that fit me!



Step 2 – Find a Strategy

- **Detailed Development – Trend Catcher I & II**
 - **Determine Basic System**
 - Trend Following, Some Quick Counter Trend Aspects
 - **Determine Indicators**
 - X day Breakout, RSI Oscillator Confirmation
 - **Optimize Results**
 - Only the Best Performing Markets Were Chosen
 - **Trend Catcher I** – C, CD, CL, CT, ED, FV, HG, KC, NK, JY, TY
 - **Trend Catcher II** – GC, ES, LH, NK, S, SB, SF, US
 - **Forward Walk Testing**
 - System Verified with Price Data it Had NEVER Seen!
 - **Monte Carlo Testing**
 - Random Tests to Establish Money Management Technique

Step 2 – Find a Strategy



Canadian Dollar
\$4,860 Profit !

Coffee
\$15,746 Profit !
(\$11,228 from Jan.
1, 2005)



Step 2 – Find a Strategy

Swiss Franc
\$8,627 Profit !



Cotton
\$1,005 Loss
cut losses when necessary...

Step 2 – Find a Strategy

- **How YOU Can Do It...**

- **Skill Assessment**

- Can you develop your own system? (not many people can), Can you follow an advisor? (some people overrule even a proven system)

- **Research**

- Read introductory books, *Futures Magazine*, see what is out there

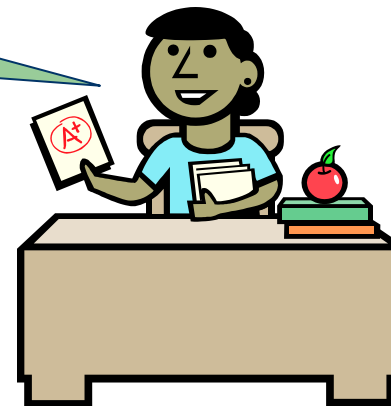
- **Detailed Development**

- Learn more about systems you might want to follow (today's Webinar is an excellent example!)



Step 3 – Check & Double Check

“Be sure to
check your
work, students!”



**Before You Start Trading With Your Hard
Earned Money, Make Sure You Verify
Everything!**

Step 3 – Check & Double Check

- How I Did it...

- I Checked For Programming Errors

- I spent hours verifying and checking results – results that seemed too good to be true usually were!

- I Created a “Mirror” System

- I switched buy and sell signals – “mirror” system should perform just as bad as initial system was good



www.worldcupadvisor.com

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www.kjtradingsystems.com

Step 3 – Check & Double Check

- **How YOU Can Do It...**
 - **Don't Rely Just on Advisor's Literature**
 - Look for independent verification (for example, worldcupadvisor.com)
 - **CTA? – check compliance at nfa.futures.org**
 - **Look For Real-Time ACTUAL History**
 - Don't fall for “backtested, hypothetical” results masquerading as real results
 - All my actual trades are shown on worldcupadvisor.com, kjtradingsystems.com

Step 4 – Executing Your Strategy

- Determine Level of Involvement
- Find a Good Broker
- “Pull The Trigger”



**Many People Get This Far, But Then Become
Afraid to “Pull The Trigger!”**

Step 4 – Executing Your Strategy

- **How I Did It...**

- **Determine Level of Involvement**

- Do analysis, enter trades at night, early morning
- Monitor markets during day, watch and observe

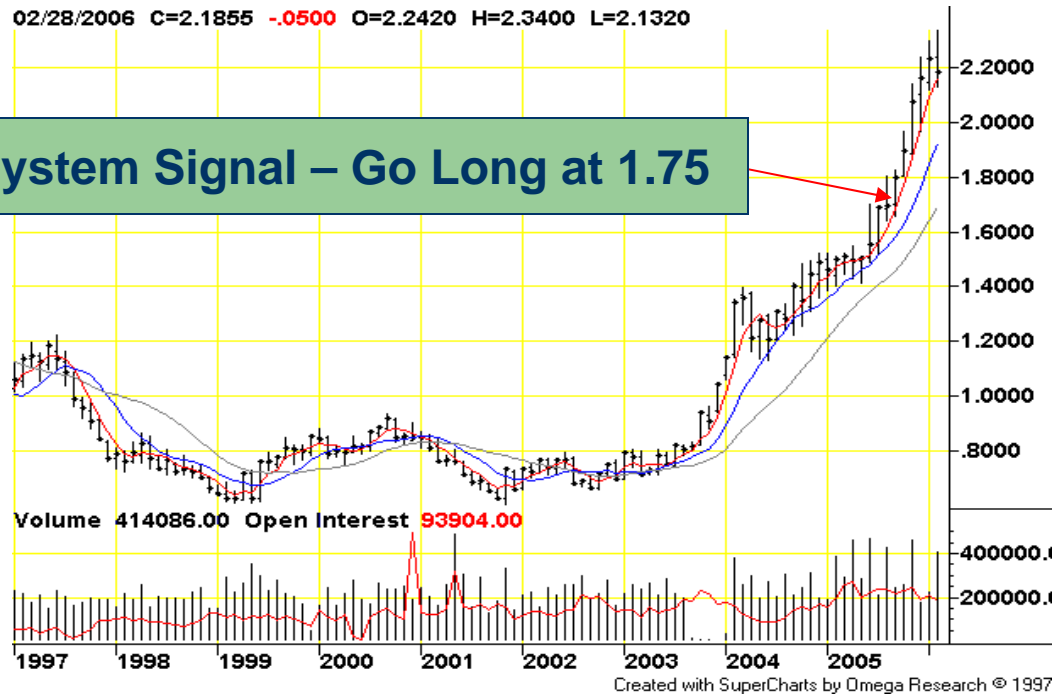
- **Find a Good Broker**

- I found broker (Robbins Trading) with good trading platform, EXCELLENT trade support, SUPERB customer service

- **“Pull The Trigger”**

- Once I believed and had faith in Trend Catcher I and Trend Catcher II, executing trades was easy

Step 4 – Executing Your Strategy



Copper at Multi-Year High...should I follow
“buy” signal?...**YES – FOLLOW SYSTEM!**

Step 4 – Executing Your Strategy

- **How YOU Can Do It...**

- **Determine Level of Involvement**

- Don't sign up for a day trading system if you have a day job!

- **Find a Good Broker**

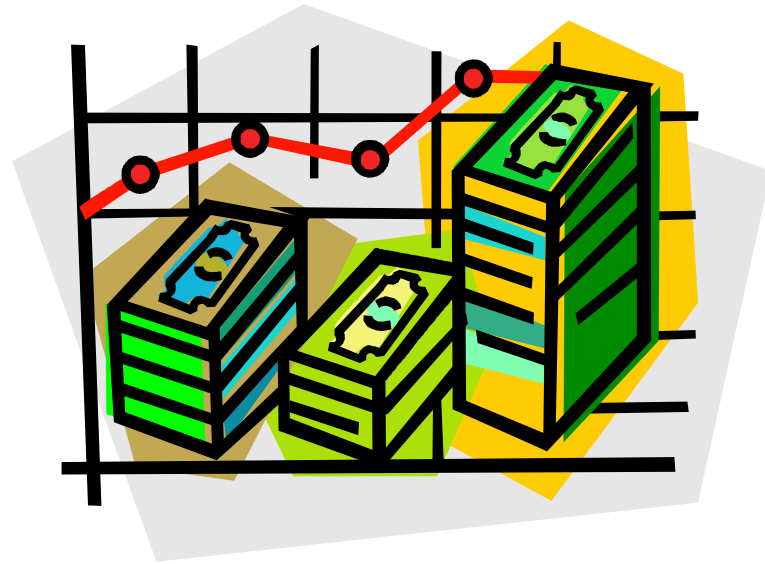
- Find a broker that knows and has experience with the system you want to follow

- **“Pull The Trigger”**

- “AutoTrade” service by Robbins Trading takes the “trade taking stress” out of your hands!

Step 5 – Monitor and Adjust

- Is Your System In Control?
- Is Your Trade Execution in Control?



Most people do not give their system a chance –
what would have happened if I had abandoned
Trend Catcher I in May 2005?

Step 5 – Monitor and Adjust

- **How I Did It...**

- **Reviewed System Performance Regularly**
 - Is system performing as it should?
- **Reviewed Trade by Trade Performance**
 - Do I get bad fills in some markets?
- **Kept Trade Journal**
 - Recorded thoughts, feelings, frustrations



Step 5 – Monitor and Adjust

- **How YOU Can Do It...**

- **Review System Performance Regularly**

- Is system performing to your expectations?
- Does system still meet your objectives?

- **Don't Give Up Too Quickly**

- Abandon system **ONLY** when it clearly doesn't/won't meet your objectives
- If you quit any system before 6 months, you will probably have quit too soon – **GIVE IT TIME!**

5 Steps To A Successful System

- Step 1: Have a Plan
- Step 2: Find a Strategy
- Step 3: Check and Double Check
- Step 4: Execute Your Strategy
- Step 5: Monitor and Adjust as Necessary



Bull and Bear Trophy,
Given to World Cup
Winners

5 Steps To A Successful System

- **How Long Will It Take?**
 - If you are developing your own system, plan on 6 months to 1 year for system development, from start to finish
 - If you are buying a system, or following an advisor, it might take 0 to 3 months for research, due diligence
 - Key: have comfort level to stick with system for 6 months
- **Do You Have the Time & Dedication to Develop Your Own System?**
 - Maybe it makes more sense to follow a proven winner

How To Follow My Trades



- **Go to worldcupadvisor.com**
 - Video Presentation Tour of Site
 - Actual Trade by Trade History
 - Net Profit Calculator
- **Sign up for AutoTrade™ Service**
 - Best way to follow each and every one of my signals
 - Trend Catcher I **(148% in 2005!)**
 - Trend Catcher II **(different mkts, great way to diversify)**

Questions and Answers



- E-mail World Cup Advisor: info@worldcupadvisor.com
- E-mail Kevin Davey at: kdavey@kjtradingsystems.com

Thank You For Attending!

**Thanks for Joining Us Today! May All
Your Trades Be Profitable, and All
Your Systems Be Winners!**

