

Track Record Methodology Memo

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This memo explains how Abilities Finance measures, reports, and contextualises its trading performance. Understanding these definitions is essential to reading the track record accurately.

1. What Is Reported

The Abilities Finance track record reports trading performance from a specific period (currently: 87 days, beginning in late 2025). The record is based on live trading activity in a Coinbase account. All figures are derived from actual executed trades, not simulated or backtested results.

2. Realized P&L

Profit and Loss (P&L) figures represent **realized** gains and losses from closed trades only. Unrealized paper gains or losses on open positions are not included. A trade is "realized" when it is fully closed — both the entry and exit have been executed.

3. Normalized vs. Raw Results

We present both normalized and raw results to provide complete transparency.

Metric	Normalized	Raw
Realized P&L	+\$1,126.00	-\$1,929.89
Total Trades	464	628
Win Rate	99.78%	73.89%

Normalized results exclude the impact of the January 30, 2026 operational event (see Section 5). They reflect the performance of the core trading strategy under normal operating conditions.

Raw results include all trading activity, including the 164 forced position closes and \$3,056 in losses from the operational event. Both sets of numbers are always presented together. Neither is hidden.

4. Close-Level Win Rate

The win rate is calculated as the percentage of individual closed trades that resulted in a net profit. It is a measure of trade-level accuracy – how often a trade closes in profit – and is not the same as overall portfolio return. A high win rate does not guarantee a positive overall P&L if losing trades are significantly larger than winning trades.

5. The January 30, 2026 Operational Event

On January 30, 2026, an unauthorized capital extraction event occurred in the trading account. This resulted in 164 forced position closes and \$3,056 in direct losses. This event is fully disclosed in the track record. Governance controls implemented since then include hard position limits, margin buffer requirements, daily exposure caps, and AI-assisted risk monitoring.

6. Reporting Window

The current track record covers 87 days of live trading. This is a short period. It is not sufficient to draw statistically robust conclusions about long-term performance. The record is provided to demonstrate the trading approach and the level of transparency Abilities Finance maintains – not as a performance guarantee.

7. Limits of Inference

Past performance does not guarantee future results. The win rate, P&L figures, and trade count reported here reflect a specific period under specific market conditions. They do not promise that these results will be replicated, sustained, or exceeded in future periods.

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