

Performance Attribution Checklist

Signal Pilot Education Hub



Performance Attribution Checklist

Lesson 39: Performance Attribution

This checklist helps you decompose returns to understand exactly where profits came from—by strategy, asset, time period—and identify what works vs. what doesn't.



Monthly Performance Attribution

Export Trade Data

- ☐ **Pull last month's trades** - From broker or trading journal
- ☐ **Required fields:** Date, time, symbol, strategy, entry, exit, P&L, R-multiple
- ☐ **Include all trades** - Winners, losers, breakevens (complete dataset)

Attribution by Strategy

- [] **Group trades by strategy** - Janus sweeps, breakouts, mean reversion, etc.
- [] **Calculate for each strategy:**
 - Total P&L
 - Number of trades
 - Win rate
 - Average R-multiple
 - % contribution to total profit
- [] **Identify top performer** - Which strategy made most profit?
- [] **Identify underperformer** - Which strategy dragged down results?

Example Strategy Attribution

Total Return: +\$13,500

By Strategy:

1. Janus Sweeps: +\$7,600 (56% of profit) ← Dominant strategy
 - 45 trades, 71% WR, 3.2R avg
2. Breakouts: +\$3,200 (24%)
 - 20 trades, 55% WR, 1.8R avg
3. Mean Reversion: +\$2,700 (20%)
 - 18 trades, 61% WR, 2.1R avg

Action: Allocate MORE to Janus Sweeps (highest contribution)

Attribution by Asset

- [] **Group by symbol** - SPY, QQQ, IWM, etc.
- [] **Calculate P&L per asset** - Which asset most profitable?

- [] **Check trade frequency per asset** - Are you overtrading one symbol?
- [] **Identify best execution** - SPY: tight spreads, best fills

Attribution by Time Period

- [] **Break down by week/month** - Which periods were best/worst?
 - [] **Identify regime patterns** - Q3 trending = best, Q4 ranging = worst
 - [] **Check seasonality** - November-December historically stronger? Weaker?
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Alpha vs. Beta Analysis

Separate Skill from Market Exposure

- [] **Your total return:** +40%
- [] **SPY return (same period):** +20%
- [] **Estimate your beta:** If portfolio moves 1.5x SPY, beta = 1.5
- [] **Calculate expected return:** Beta \times SPY return = $1.5 \times 20\% = 30\%$
- [] **Calculate alpha:** Your return - Expected return = $40\% - 30\% = +10\%$

Alpha Interpretation

Positive alpha (+10%):

= Skill-based excess return

= Your edge generated 10% beyond market exposure

Negative alpha (-5%):

- = Underperformance vs. market
- = Better off holding index (SPY)

Zero alpha:

- = You're just riding market beta
- = No skill-based edge

Risk-Adjusted Metrics

- [] **Sharpe Ratio:** $(\text{Return} - \text{Risk-Free Rate}) / \text{Std Dev}$
 - Target: > 1.5 (excellent)
 - < 1.0 = Poor risk-adjusted returns
 - [] **Sortino Ratio:** $(\text{Return} - \text{Risk-Free}) / \text{Downside Deviation}$
 - Higher than Sharpe = asymmetric returns (good)
 - [] **Information Ratio:** $\text{Alpha} / \text{Tracking Error}$
 - Measures consistency of alpha generation
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Top Winners & Losers Analysis

Identify Top 5 Winners

- [] **Sort trades by P&L (largest gains)** - Top 5 trades
- [] **Calculate contribution:** $\text{Top 5 P\&L} / \text{Total P\&L} \times 100$
- [] **Analyze common patterns:**
- What setup? (Sweep, breakout, mean reversion?)
- What timeframe? (15-min, 1H, Daily?)
- HTF aligned? (Yes = higher win rate)
- Time of day? (Morning, midday, afternoon?)

Example Top 5 Winners

Top 5 Winners (out of 83 trades):

1. SPY sweep reversal: +\$2,500 (5R) - HTF aligned, 10:45 AM entry
2. QQQ breakout: +\$1,800 (4.5R) - Volume confirmation, held to 3R
3. IWM mean reversion: +\$1,200 (3R) - Value area bounce
4. SPY VWAP: +\$1,100 (2.8R) - Multi-TF confluence
5. QQQ Janus: +\$1,000 (2.5R) - Perfect execution

Total: +\$7,600 (56% of total profit!)

Lesson: Let winners run, hold for 3R+ targets

Identify Bottom 5 Losers

- [] **Sort trades by P&L (largest losses)** - Bottom 5 trades
- [] **Find common mistake patterns:**
 - FOMO/chasing? (3/5 losses)
 - Ignored HTF? (4/5 losses)
 - Wrong regime? (VIX > 30, high vol)
 - Oversized? (Risky 3% instead of 2%)
 - Broke rules? (Skipped checklist)

Example Bottom 5 Losers

Bottom 5 Losers:

1. IWM false breakout: -\$800 (-1R) - FOMO chase
2. SPY ignored HTF: -\$600 (-1R) - Daily downtrend, shorted uptrend
3. QQQ oversized: -\$500 (-0.8R) - Risked 3%, violated rules
4. SPY news spike: -\$450 (-1R) - VIX spike, high vol
5. IWM late entry: -\$400 (-1R) - Chased after move started

Common themes: FOMO (3/5), Ignored context (3/5)

Action: Create pre-entry checklist, wait for A-grade setups



Time-of-Day & Day-of-Week Analysis

Performance by Time Window

- [] **9:30-10:30 AM:** Win rate __%, Avg R __
- [] **10:30-12:00 PM:** Win rate __%, Avg R __
- [] **12:00-2:00 PM:** Win rate __%, Avg R __
- [] **2:00-4:00 PM:** Win rate __%, Avg R __
- [] **Identify best window** - Focus trading here
- [] **Avoid worst window** - Lunch (12-2 PM) often choppy

Performance by Day of Week

- [] **Monday:** Win rate __%, Avg R __
- [] **Tuesday:** Win rate __%, Avg R __
- [] **Wednesday:** Win rate __%, Avg R __
- [] **Thursday:** Win rate __%, Avg R __
- [] **Friday:** Win rate __%, Avg R __
- [] **Pattern:** Monday = reversal tendency? Friday = low volume?



Regime-Based Performance

Performance by Volatility Regime

- [] **Low vol (VIX < 15):** ___ trades, ___% WR, ___ avg R
- [] **Normal vol (VIX 15-25):** ___ trades, ___% WR, ___ avg R
- [] **High vol (VIX > 25):** ___ trades, ___% WR, ___ avg R
- [] **Insight:** Avoid high vol? Or reduce size?

Performance by Trend Regime

- [] **Trending (ADX > 25):** ___ trades, ___% WR, ___ avg R
 - [] **Ranging (ADX < 20):** ___ trades, ___% WR, ___ avg R
 - [] **Insight:** Janus works best in trending? Mean reversion in ranging?
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Pro Tips

Attribution Mastery

- **Review monthly, not daily** - Daily noise, monthly = signal
- **Track top 5 winners/losers** - 80% of learning comes from extremes
- **Separate alpha from beta** - Know if you're skilled or lucky
- **Regime-specific performance** - Know when your edge works best

Common Mistakes to Avoid

- **✗** Not journaling trades (can't attribute without data)
- **✗** Celebrating profit without asking "why?" (was it skill or market?)
- **✗** Ignoring loss patterns (same mistakes repeated = fixable)

- **✗** No strategy-level breakdown (can't scale what you don't measure)

Monthly Review Checklist

- [] Which strategy contributed most profit?
- [] Which strategy had best Sharpe ratio?
- [] What's the common theme in losses? (FOMO, ignored HTF, wrong regime)
- [] Did I follow my rules? (% of trades following checklist)
- [] What regime performed best? Worst?

Action Items from Attribution

- **Scale winners:** If Janus = 56% of profit → allocate more capital
 - **Kill losers:** If breakouts = negative expectancy → stop trading them
 - **Fix mistakes:** If FOMO = 3/5 losses → add pre-entry checklist
 - **Adapt to regime:** If high vol = poor results → pause in VIX > 30
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Related Resources

- **Lesson 38:** Portfolio Theory Advanced (use attribution to optimize allocations)
 - **Lesson 34:** System Development (performance attribution informs system design)
 - **Recommended Tools:** TradeZella, Edgewonk, TraderSync, Excel (manual)
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Version: 1.0

Last Updated: 2025-11-02

Difficulty: Advanced

Remember: "I made +45%" is noise. "I made +25% from Janus sweeps in trending regimes, lost -5% from breakouts in ranging regimes" is signal. Attribution = your competitive edge.

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