PHOENIXALGOS AUTO-HEDGING SYSTEM ARCHITECTURE & OPERATION GUIDE

Dynamic Macro SQQQ Protection, Multi-Exchange Execution & Broad-Market Stress Testing

Official Self-Help Documentation • Certified Technical Manual

1. Executive Summary & Capital Preservation Mandate

Traditional buy-and-hold portfolios suffer devastating drawdowns during equity bear regimes. The PhoenixAlgos Auto-Hedging Engine dynamically establishes defensive short exposure via inverse ETFs (SQQQ / SOXS) to cushion core equity portfolios against market shocks.

2. Dynamic Hedging Exposure Sizing

- Baseline Cushion: Allocates 5% to 10% of portfolio equity into SQQQ when SPY breaches key moving averages.
- Priority 0 Rotation: Hedging buy orders take absolute priority over speculative long entries.
- Margin Clamp Protection: Limits gross leverage during hedging to 1.05x to prevent margin interest drag.

3. Broad-Market Shock Stress Modeling

Continuously models portfolio equity under -5%, -10%, and -20% index shocks. Real-time stress estimates are rendered on both the ATW Auto-Hedging Desk and daily executive briefings.