

Freqtrade's official *SampleStrategy*, audited like a real bot

This is the strategy template every new Freqtrade user finds waiting in `user_data/strategies/`. It's not sold by anyone — which is exactly why it's a clean subject: no vendor to defend it, no marketing page to argue with. We ran it through the same audit we'd run on a strategy you paid for.

SUBJECT	SOURCE	MARKET DATA
SampleStrategy.py	Freqtrade 2026.7, official template	Binance spot, 5m, 5 pairs
PERIOD	ENGINE	
2023-01-01 → 2026-01-01	freqtrade backtesting (native)	

Every backtest has a fee assumption buried in it, and it's usually the first thing a seller optimizes away. We ran this exact strategy, unchanged, twice: once the way a highlight-reel screenshot usually gets made — zero trading fees — and once with Binance's standard 0.1% taker fee on both sides of the trade. Nothing else changed.

MARKETED NUMBER — 0% FEE

−9.71%

\$1,000 → \$902.87 over 3 years

Max drawdown	50.87%
Sharpe (closed trades)	−0.22
Win rate	89.4%
Buy & hold, same period	+405.73%

HONEST NUMBER — 0.1% TAKER FEE

−70.59%

\$1,000 → \$294.10 over 3 years

Max drawdown	78.51%
Sharpe (closed trades)	−2.26
Win rate	87.8%
Buy & hold, same period	+405.73%

A single, completely standard fee assumption — not a worst case, not slippage, just Binance's default taker rate — turns a "modest 3-year loss" into a strategy that eats 70% of the account. This is the exact commission-drag pattern that shows up whenever a strategy's edge per trade is thinner than round-trip trading costs.

An 87–89% win rate is the number a seller would lead with. Here's what it's built from, honest-fee run:

2,418 wins via ROI target, avg +1.07%	+\$3,786.98
293 losses via stop-loss, avg −10.17%	−\$4,351.67
54 losses via exit signal	−\$138.87
3 forced exits at backtest end	−\$2.34
Net, 2,768 trades	−\$705.91

About 11% of trades are stop-losses, but each one costs roughly ten small wins. A win rate is not a risk-management plan — it's what's left over after you don't ask about position size.

CRITICAL

Stop-loss is enforced by the bot process, not the exchange

```
config.json · order_types.stoploss_on_exchange = false
```

The protective stop only exists as long as the bot's own loop keeps running and can reach the exchange API. A crashed process, a lost connection, or an exchange rate-limit during a volatility spike leaves the position with zero downside protection — a failure mode no backtest can show, because backtests assume the bot never goes down.

HIGH

One fixed stop-loss for five pairs with different volatility

```
SampleStrategy.py · line 77 — stoploss = -0.10
```

The same -10% threshold applies identically to BTC/USDT and to SOL/USDT or ADA/USDT, which move far more per candle. There's no ATR- or volatility-scaled distance, so the stop is simultaneously too wide to protect capital on the calmer pair and effectively arbitrary on the volatile ones.

HIGH

Round-trip cost is close to the entire per-trade edge

observed in backtest, not a single line

Average winning exit is +1.07%. A 0.2% round-trip taker fee removes roughly a fifth of that before any stop-loss tail is even counted. When ordinary trading costs are the same order of magnitude as the strategy's edge, the strategy has no real edge — it has a fee-sensitive coin flip.

MEDIUM

Entry/exit thresholds are un-tuned repository defaults

```
SampleStrategy.py · lines 69–73, 97–98
```

The ROI table and the RSI 30/70 crossover thresholds are the values that ship in the file, applied identically across every pair and regime, with no walk-forward validation behind them. That's better than a hyperopted-and-hidden number, but it means there's no statistical basis for these specific thresholds on this specific market at all.

MEDIUM

No per-trade, risk-based position sizing

```
config.json · stake_amount = "unlimited"
```

Capital is split evenly across up to 5 open trades regardless of each pair's volatility. A volatility-scaled stake (smaller size on SOL/ADA, larger on BTC) would reduce the variance of the stop-loss tail shown above without changing the entry logic at all.

LOW

No order-book depth check before entry

```
config.json · check_depth_of_market.enabled = false
```

Disabled by default. Fine on BTC/USDT order-book depth; more relevant on thinner books during a volatility spike on the smaller pairs in this whitelist.

INFO

The file says, in its own docstring, not to do this

```
SampleStrategy.py · lines 41-43
```

"This is a strategy template to get you started." It ships as a teaching example, not a strategy meant to carry real capital — and it is, verifiably, the single most copy-pasted piece of code in the Freqtrade ecosystem, since every fresh install starts with it sitting in the strategies folder.

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- Strategy and config used exactly as generated by `freqtrade new-strategy / freqtrade new-config` — no modifications to entry/exit logic, stops, or ROI table.
-
- 5 pairs: BTC/USDT, ETH/USDT, BNB/USDT, SOL/USDT, ADA/USDT · 5-minute candles · Binance spot data, 2023-01-01 through 2025-12-31.
-
- Two identical backtests via the native `freqtrade backtesting` engine, differing only in the `--fee` flag: 0 and 0.001 (0.1% taker fee charged per side, so $\approx 0.2\%$ total on a round-trip entry+exit).
-
- Max 5 concurrent open trades, \$1,000 starting balance, unlimited stake split evenly — the defaults the config wizard produces, not a hand-picked setting.
-
- Not modeled: order-book slippage beyond the exchange's own price series, partial fills, and funding costs. Adding any of these would make the -70.59% figure worse, not better — this report already understates the real-world drag, it doesn't overstate it.
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This audits Freqtrade's own bundled template, not any individual's paid product or Discord group — no vendor claim is being disputed here. Nothing in this report is investment advice; it's a code and backtest-methodology review. Full backtest logs and the unmodified strategy file are available on request.

This is the audit for your bot — or the one you're about to buy

Same process, applied to a strategy that actually has money behind it: yours, live or paper; or one you're deciding whether to purchase from someone else.

RISK REVIEW

Stop-loss logic, position sizing, what happens if the bot goes offline mid-trade.

HONEST BACKTEST

Re-run with realistic fees and, where the data supports it, slippage — not the marketing number.

CURVE-FIT CHECK

Whether the parameters were tuned to one historical window and how that's likely to hold up out-of-sample.

CODE REVIEW

Logic bugs in entry/exit/stop handling — the kind that don't show up until a live fill disagrees with the signal.

Written report, turnaround under a week. honest.audit48@gmail.com

Independent audit — no affiliation with the Freqtrade project or any strategy vendor.