

TRENDRATING – DELIVERING ALPHA

THE NEXT LEVEL OF MARKET INTELLIGENCE.
ADD AN EDGE TO YOUR INVESTMENT STRATEGY.

The ability to capture trends, profiting from bull markets and avoiding bear phases is the key to superior performance on a consistent basis. Investors that have a good understanding and a disciplined respect for the specific price trend of securities outperform competitors. Any investment strategy can be enhanced by a better synchronization to trends developments.

Most investors use numerous metrics based on fundamental and quantitative data, but very few measure in a proven, objective, systematic way, the real direction of price trends and remain hostage to market noise and opinions, despite the fact that capturing trends is the key to better returns.

Traditional indicators from technical analysis and chart pattern studies often yield inconsistent results across different cycles and market types.

Old school momentum investing tends to be late as it uses fixed time windows that may require time to adjust to fast changing trends.

But a new generation of sophisticated models has emerged to fix this.

Trendrating fills a critical gap of market intelligence by providing a methodology to support a better synchronization for individual stocks and sectors trends, that makes the investment decision process more accurately informed about the factor that impacts performance the most – medium term trends.

Trendrating solution is based on a “pattern recognition” algorithm that processes a large volume of data.

The algorithm works on a multi-factor analysis and uses a self-adaptive, flexible time window. When the different factors are in synch there is a high probability that a relevant trend is in place. The dynamic time window enables a more timely identification of an emerging trend and the multi-factor approach supports an effective filtering of price noise, short term volatility and false moves.

Trendrating provides advanced analytics designed to capture trends, identifying most of the winners and avoiding a large part of the losers with in a yearly horizon. Our model offers a unique rating of trends where A and B indicate a bull trend and C and D mark bear moves. We provide a unique edge where A and B rated stocks on average outperform those rated C and D.

On a monthly basis we provide evidence of the accuracy and effectiveness of Trendrating unique “Trend Capture Edge”. We document in 3 different ways the value of our advanced analytics.

1. Top and Worst Performers Capture – Profit from positive trends and avoid negative moves

A report documenting the ability of the Trendrating methodology in capturing the trends of the best performing stocks vs. the worst performers over a 3 months time window.

INVESTMENT UNIVERSE - 300 LARGEST MARKET CAP EUROZONE – (from 24/04/19 To 24/07/19)

We define as best performers those securities that recorded gains above **10%** over the last 3 months. Similarly we identify as worst performers those stocks that posted a loss exceeding **10%** in the same time frame.

SUMMARY OF RESULTS

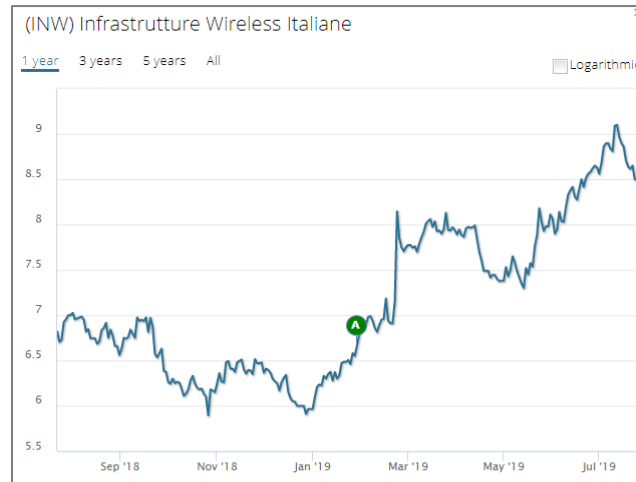
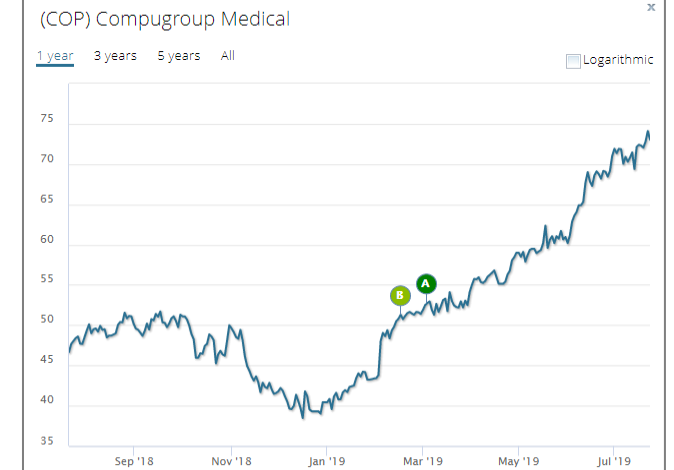
Best Performers	
46 stocks	
minimum return	10%
maximum return	25%
average return	16%
number of stocks that received positive rating	41
(41 out of 46) % of trend capture	90%

Worst Performers	
49 stocks	
mimimum loss	-10%
maximum loss	-29%
average loss	-16%
number of stocks that received negative rating	44
(44 out of 49) % of trend capture	90%

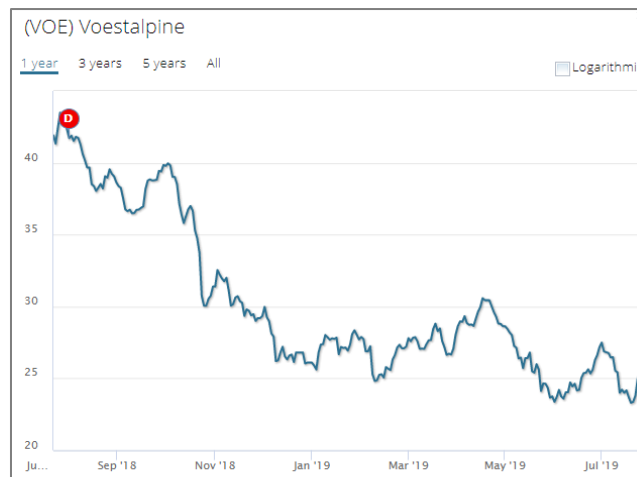
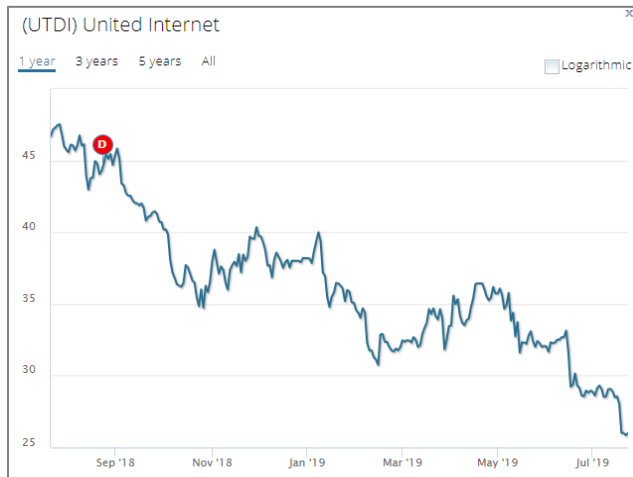
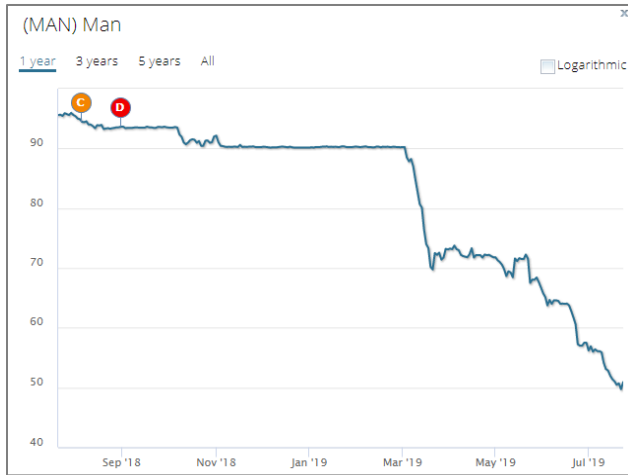
3 Months Best Performers			
winners - 6 Stocks			
symbol/name	3 months performance	rating	Issued
ALT	25.38%	A	19/03/2019
AMP	24.81%	A	20/03/2019
COP	23.81%	A	05/03/2019
ADS	23.55%	A	01/03/2019
INW	15.18%	A	29/01/2019
SAX	11.04%	A	21/03/2019

3 Months Worst Performers			
Losers - 6 Stocks			
symbol/name	3 months performance	rating	issued
MAN	-29.11%	D	31/08/2018
DRI	-20.82%	D	23/08/2018
ANDR	-25.51%	D	07/12/2018
UTDI	-27.23%	D	24/08/2018
VOE	-12.85%	D	02/08/2018
BAS	-12.17%	D	08/03/2018

Graphs – Best Performers



Graphs – Worst Performers



2. AB vs CD Average Return – Integrate Alpha generating intelligence in your investment process

A report documenting the average performance of all the stocks rated **A** and **B** vs those rated **C** and **D** for a specific investment universe.

The focus of the analysis is to measure at the end of a 3 months window the accuracy of Trendrating methodology. This report analyzes a universe of 50 European Large Cap Stocks and measures the last 3 months performance of all the Stocks that have been rated **A** or **B** at the beginning of the time window vs all the Stocks that received a **C** or **D** rating. The average return of **A** and **B** rated Stocks was +7.03%. The average performance of **C** and **D** rated Stocks was -1.36% for a differential of +8.39% over the 3 months (April 11th to July 4th)

Rating	#	Average Return
Total	50	4.68%
A	33	7.37%
B	3	3.35%
C	1	-8.03%
D	13	-0.85%
AB	36	7.03%
CD	14	-1.36%

LIST OF STOCKS

Securities				Begin Period			End Period			Performance
Ticker	Name	Country	currency	date	rating	price	date	rating	price	
ABI	Anheuser-busch Inbev	BE	EUR	April 11, 2019	D	78.08	July 4, 2019	A	82.72	5.94%
ADS	Adidas	DE	EUR	April 11, 2019	A	225.4	July 4, 2019	A	278.25	23.45%
AI	Air Liquide	FR	EUR	April 11, 2019	A	115.65	July 4, 2019	A	122.75	6.14%
ALV	Allianz	DE	EUR	April 11, 2019	A	207.95	July 4, 2019	A	217.2	4.45%
ASML	Asml	NL	EUR	April 11, 2019	A	176.3	July 4, 2019	A	189.1	7.26%
AZN	Astrazeneca	GB	GBP	April 11, 2019	A	60.6287	July 4, 2019	A	65.7502	8.45%
BAS	Basf	DE	EUR	April 11, 2019	D	69.61	July 4, 2019	D	62.68	-9.96%
BATS	British American Tobacco	GB	GBP	April 11, 2019	D	31.065	July 4, 2019	D	29.8069	-4.05%
BAYN	Bayer	DE	EUR	April 11, 2019	D	60.79	July 4, 2019	D	60.92	0.21%
BHP	Bhp	GB	GBP	April 11, 2019	A	19.232	July 4, 2019	A	20.1431	4.74%
BN	Danone	FR	EUR	April 11, 2019	A	69.14	July 4, 2019	A	75.68	9.46%

BNP	BNP Paribas	FR	EUR	April 11, 2019	D	44.805	July 4, 2019	B	43.045	-3.93%
BP.	Bp	GB	GBP	April 11, 2019	A	5.7549	July 4, 2019	A	5.4777	-4.82%
CDI	Christian Dior	FR	EUR	April 11, 2019	A	435	July 4, 2019	A	475.6	9.33%
CS	Axa	FR	EUR	April 11, 2019	B	23.28	July 4, 2019	A	23.73	1.93%
DAI	Daimler	DE	EUR	April 11, 2019	D	55.45	July 4, 2019	D	49.035	-11.57%
DG	Vinci	FR	EUR	April 11, 2019	A	89.5	July 4, 2019	A	92.02	2.82%
DGE	Diageo	GB	GBP	April 11, 2019	A	31.4481	July 4, 2019	A	34.6679	10.24%
DTE	Deutsche Telekom	DE	EUR	April 11, 2019	A	14.86	July 4, 2019	A	15.52	4.44%
EL	Essilorluxottica	FR	EUR	April 11, 2019	D	98.74	July 4, 2019	D	114.4	15.86%
ENEL	Enel	IT	EUR	April 11, 2019	A	5.643	July 4, 2019	A	6.447	14.25%
ENI	Eni	IT	EUR	April 11, 2019	C	15.924	July 4, 2019	D	14.646	-8.03%
EQNR	Equinor	NO	NOK	April 11, 2019	D	196.5	July 4, 2019	D	171.2	-12.88%
FP	Total	FR	EUR	April 11, 2019	A	50.08	July 4, 2019	D	49.455	-1.25%
GSK	Glaxosmithkline	GB	GBP	April 11, 2019	A	15.656	July 4, 2019	A	16.39	4.69%
HEIA	Heineken	NL	EUR	April 11, 2019	A	94.34	July 4, 2019	A	100.2	6.21%
HSBA	Hsbc	GB	GBP	April 11, 2019	D	6.514	July 4, 2019	A	6.7014	2.88%
IBE	Iberdrola	ES	EUR	April 11, 2019	A	7.848	July 4, 2019	A	8.732	11.26%
ITX	Industria De Diseno Textil	ES	EUR	April 11, 2019	D	26.59	July 4, 2019	A	27.08	1.84%
KER	Kering	FR	EUR	April 11, 2019	A	535.3	July 4, 2019	A	527.1	-1.53%
MC	Lvmh	FR	EUR	April 11, 2019	A	344.95	July 4, 2019	A	381.35	10.55%
NESN	Nestle	CH	CHF	April 11, 2019	A	96.37	July 4, 2019	A	102.56	6.42%
NOVN	Novartis	CH	CHF	April 11, 2019	A	82.28	July 4, 2019	A	90.73	10.27%
NOVOB	Novo Nordisk	DK	DKK	April 11, 2019	A	338.8	July 4, 2019	A	341.75	0.87%
OR	L'oreal	FR	EUR	April 11, 2019	A	240.2	July 4, 2019	A	255.3	6.29%
PRU	Prudential	GB	GBP	April 11, 2019	D	16.653	July 4, 2019	A	17.8885	7.42%
RB.	Reckitt Benckiser	GB	GBP	April 11, 2019	A	59.5	July 4, 2019	A	63.8665	7.34%
RDSA	Royal Dutch Shell	GB	GBP	April 11, 2019	B	24.865	July 4, 2019	A	25.9416	4.33%
RDSB	Royal Dutch Shell	GB	GBP	April 11, 2019	B	25.06	July 4, 2019	A	26.0072	3.78%
RIO	Rio Tinto	GB	GBP	April 11, 2019	A	47.1036	July 4, 2019	A	49.1314	4.30%
RMS	Hermes International	FR	EUR	April 11, 2019	A	592	July 4, 2019	A	640.6	8.21%
ROG	Roche	CH	CHF	April 11, 2019	A	272.5	July 4, 2019	A	280.9	3.08%
SAF	Safran	FR	EUR	April 11, 2019	A	120.45	July 4, 2019	A	131.2	8.92%
SAN	Banco Santander	ES	EUR	April 11, 2019	D	4.477	July 4, 2019	D	4.2175	-5.80%
SAN	Sanofi	FR	EUR	April 11, 2019	A	77.14	July 4, 2019	C	77.97	1.08%
SAP	Sap	DE	EUR	April 11, 2019	A	99.67	July 4, 2019	A	123.76	24.17%
SIE	Siemens	DE	EUR	April 11, 2019	D	102.44	July 4, 2019	A	105.54	3.03%
SU	Schneider Electric	FR	EUR	April 11, 2019	A	73.3	July 4, 2019	A	81	10.50%
ULVR	Unilever	GB	GBP	April 11, 2019	A	44.0594	July 4, 2019	A	50.4961	14.61%
UNA	Unilever	NL	EUR	April 11, 2019	A	51.4	July 4, 2019	A	54.94	6.89%

3. Historical Performance – Maximize your exposure to **AB** rated stocks and reduce your risks in **CD** securities

A report Analyzing the performance over the last 10 years of two different portfolios.

One portfolio is built selecting only stocks rated **A** and **B**, while the other picks only stocks rated **C** and **D**. Both portfolios are adjusted on a monthly basis in case of changes in rating (**Upgrades and Downgrades**)

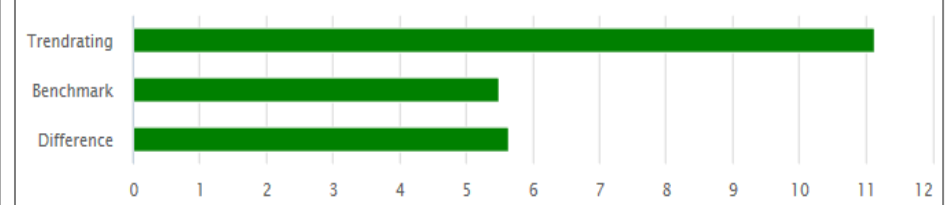
The reason because a number of active managers underperforms benchmarks is the “**disposition effect**” trap.

Investors have the tendency to exit prematurely the winners (Stocks that we rate **A** and **B**) and to hold too long on the losers (**C** and **D** rated stocks). Trendrating brings an objective, disciplined methodology to keep in check the disposition effect and maximize returns.

Performance

	Trendrating	Benchmark	Difference
Cumulative	+197.88%	+73.73%	+124.15%
Annualized	+11.14%	+5.49%	+5.65%
Yearly average	+11.63%	+5.64%	+6.00%
Max consecutive positive months	12	12	0

Performance - Annualized



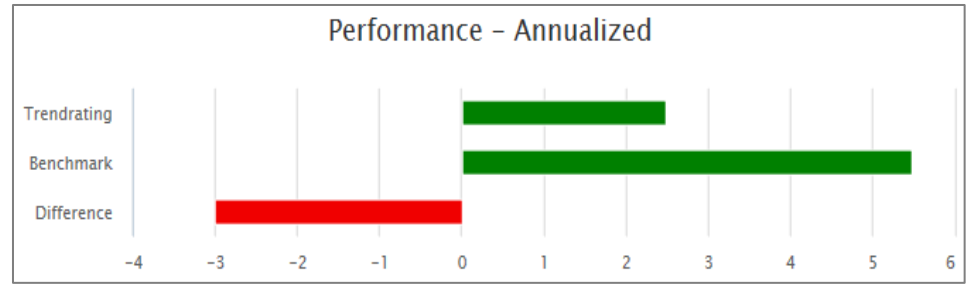
AB STRATEGY vs STOXX Europe 600



Performance

	Trendrating	Benchmark	Difference
Cumulative	+28.90%	+73.73%	-44.82%
Annualized	+2.49%	+5.49%	-3.00%
Yearly average	+3.00%	+5.64%	-2.64%
Max consecutive positive months	4	12	-8

Performance - Annualized



CD STRATEGY vs STOXX Europe 600



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