



Trendrating Systematic Management Solution

FAQ



WHAT IS THE TRENDRATING SYSTEMATIC MANAGEMENT SOLUTION (SMS)?

SMS is next generation technology that can either support and complement an active managers existing workflow or enable a fully systematic portfolio management process.

SMS combines advanced analytics, a unique rating methodology and a powerful engine, developed over several years by Trendrating, and is designed to deliver alpha which is measurable and repeatable.

It provides a strategic solution to maximize the returns and reduce risks arising from individual price trends of stocks for any desired global investment universe.

SMS covers 15'000 securities in its global coverage.

HOW DOES IT WORK?

The primary goal of SMS is to simplify and expediate the design, testing, validation and execution of active strategies in order to effectively capture positive trends, while avoiding negative phases in the selected universe of securities that are of interest to the investor.

The simple workflow.

- Trendrating provides our clients direct access to SMS, even on a multi-user basis for the Investment Team.
- Users can select one of the pre-defined strategies from our library or can create a bespoke strategy/s in a matter of minutes. Several quality parameters and portfolio rebalancing options are available.
- The user can test any strategy with up to 15 years of history, analyze performance and other key metrics on a yearly, quarterly, and monthly basis.
- Once the historical evaluation has been completed. The user can save one of more strategies which can then be tracked and measured in real time starting the next business day.
- Following the initial assessment to validate a real time strategy/s, the prospective client can determine to purchase and implement SMS. Trendrating does not charge for the services provided in the initial assessment period.
- Users can effortlessly evaluate the results and the potential impact to their business before making a purchasing decision.

WHAT IS THE RATIONALE?

The Investment Edge



The ability to capture trends, profiting from bull markets and avoiding bear phases is the key to superior performance on a consistent basis. Investors who have a good understanding and a disciplined respect for the specific price trend of securities outperform those that do not. Any investment strategy can be significantly enhanced by a better synchronisation to trend developments.

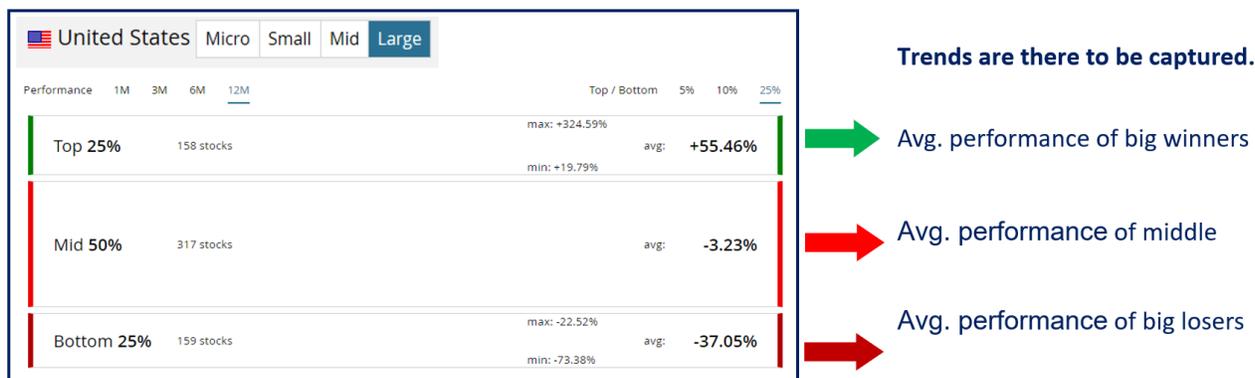
Most investors use numerous metrics based on fundamental and quantitative data, but very few measure in a proven, objective and systematic way to capture the real direction of price trends. Therefore, remain hostage to market noise and opinions, even though capturing trends is the crucial element for better returns.

Performance dispersion exists and offers outperformance opportunities to be captured by smart investors.

Trendrating provides advanced analytics designed to capture trends, identifying most of the winners and avoiding a large part of the losers within 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**.

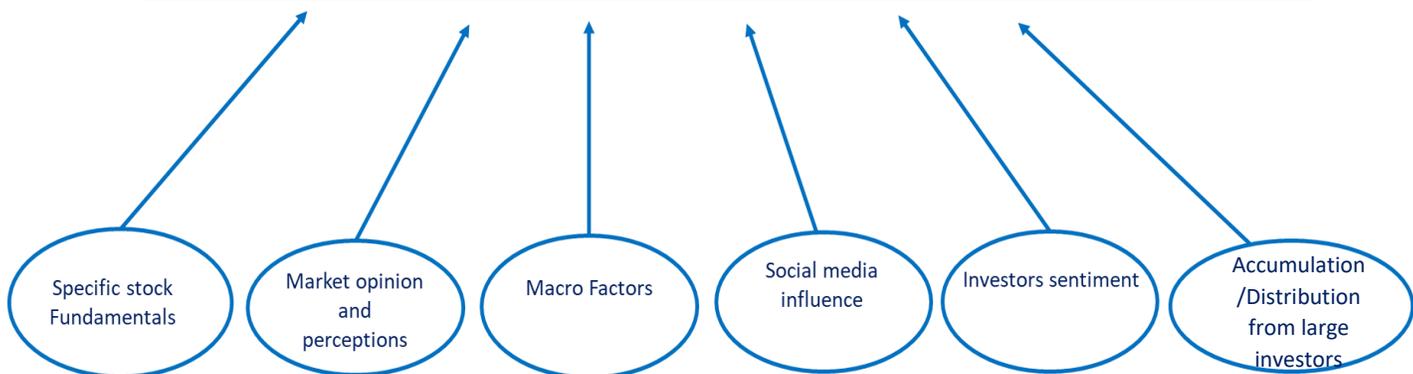
The solution is a powerful complement to the existing analytical process of active equity portfolio managers.



Performance Dispersion can be found in any investment universe for any type of investment strategy:

- Style (value, growth), Factor (size, low vol, momentum), Sector or Industry, Country
- **BUT HOW CAN ONE CAPTURE TRENDS WITHOUT A ROBUST METHODOLOGY FOCUSED ON TREND ASSESSMENT?**

Trends are driven by multiple factors. Fundamentals alone can miss the real action.





WHO ARE YOUR CUSTOMERS?

We serve more than 100 institutional customers globally, which use Trendrating as part of their investment decision process in Asset management, Wealth Management, Private Banking, Advisory & Hedge Funds to maximize returns and control risks. Our key strategic partners include Bloomberg and Euronext.

DOES THIS CAN CONFLICT WITH MY FUNDAMENTAL DRIVEN INVESTMENT STYLE?

Not at all. Most of our customers use Trendrating analytics as a smart complement to their current decision process. For example, in any universe of stocks that satisfy specific fundamental metrics there will be good performers and mediocre performers. Trendrating can help to separate the winners from the losers with a yearly time horizon.

In any list of stocks satisfying any quality criteria or selected on basis of any desired rules, the impact of “ performance dispersion” will be seen in the following quarters.

Some stocks will appreciate and other will depreciate and some will just trend sideways. That is the hard fact that every professional investor experiences.

Even those securities that make a good fundamental story may not in turn be rewarded by the price action in the market.

Trendrating can help in adding a level of intelligent selection, by measuring the actual price trends and capturing a good part of the best performers.

HOW DOES IT FIT WITH MY INVESTMENT PROCESS AND STRATEGY?

SMS is designed to support two different implementation models:

- The discretionary approach. Active managers can use SMS to add an extra level of quality control to their investment strategies, leveraging good investment ideas and filtering out securities that present an objective risk in terms of price trend.
- The fully systematic approach. Customers can determine the investment theme, focus, style, factor and then let SMS to actively select the best stocks from the defined universe.



WHAT ARE THE KEY BENEFITS?

- ✓ Improved performance
- ✓ More predictability of results
- ✓ Increased fees
- ✓ Efficiency
- ✓ Time and cost saving
- ✓ Scalability across investable products

HOW CAN I BEST USE IT?

SMS is fully scalable and can support the launch and management of innovative investable products, as well as a more structured accounts management.

