



# TRENDRATING

Use Cases

# Make trends work for you and profit from 'Performance Dispersion'



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 those that don't.

Any investment strategy can be enhanced by a better synchronization to trend development. Trendrating developed over the years a proprietary rating model based on a sophisticated, pattern recognition model that is live, well validated since 2014 and is used today by 100+ premier customers and top partners .

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. We provide a unique edge where A and B rated stocks on average outperform those rated C and D on a 6-to-18 months horizon. Our innovative " rating of price trends" is a perfect complement to fundamental as well as factor-based investment strategies .

The measurability of the impact in terms of performance and risk control enhancement is fully supported by our system.

The dispersion of performance

STOXX Europe 600 Performance*		S&P 500 Performance*	
Index	-6.45%	Index	+16.39%
Top 25%	+48%	Top 25%	+47%
Middle 50%	-4%	Middle 50%	+1%
Bottom 25%	-37%	Bottom 25%	-35%

\*12 months ending September 1<sup>st</sup>, 2020

Performance Dispersion is in the market every year and offers a unique opportunity to deliver superior performance on a consistent basis, but only if one has the right tools.

	MACRO ANALYSIS	RISK CONTROL	COMPLIANCE	OVERSIGHT
Chief Investment Officers (CIO)	<p>Track the evolution of trend ratings, measuring the percentage of uptrends vs downtrends to form a comprehensive overview of trend developments across markets and regions.</p> <p>Utilise information to better optimize portfolio exposures in current market regime.</p>	<p>Timely identification of downtrends at security and portfolio level.</p> <p>Perform a disciplined sanity check, reducing the need for subjective interpretation, inconsistency and behavioral biases.</p>	<p>Add a well-tested technological resource to validate investment ideas.</p> <p>Ensure best practices in record keeping and internal controls by maintaining detailed records of inputs that substantiate investment activities.</p>	<p>Seamlessly track and monitor the Trend Capture Rating 'TCR' for all funds, strategies and managed accounts within the investment organization.</p> <p>Be alerted to downgrades at both the underlying security and aggregated portfolio level.</p> <p>Drive early warning and proactive decision making.</p>

	PERFORMANCE ENHANCMENT	RISK CONTROL	REPORTING
Fund Managers - Benchmark Aware	<p>Utilize trend ratings to improve selection and allocation processes to maximize the exposure to securities in a bull trend and limit positions within securities in bear phase. Measure the TCR (Trend Capture Rating) of fund vs. the TCR of benchmark and optimize portfolio to improve the odds of outperformance.</p> <p>Rank investment ideas with Trendrating's family of advanced analytics to gain an edge and profit from performance dispersion across any investment universe.</p>	<p>Gain timely insights into securities whose trends are potentially exhausted and thus ones to avoid in terms of position building.</p> <p>Help limit drawdowns in the case of uptrends that might be coming to an end as well as early participation in downtrends that have potentially bottomed out.</p>	<p>Generate on-demand and customized reporting for funds and underlying baskets, supporting analysis and communication with investment team and committee members.</p>
Fund Managers - Flexible Allocation	<p>Screen across Developed, Emerging and Frontier markets for new opportunities.</p> <p>Measure and compare trend changes across countries, sectors and industries.</p> <p>Segment investment universes to create a focus group of securities based on the strength and quality of price trends and identify turn-around securities in the early phase of a new trend.</p>	<p>Run regular look-through analysis on funds ensuring a consistent exposure to positively rated securities.</p> <p>The stronger the rating, the greater the probability of a superior risk-return trade off in subsequent periods<sup>1</sup></p>	

<sup>1</sup>Trendrating White Paper, 2018: 'Trend Capture Rating & Dynamic Risk Management' - <https://www.trendrating.com/white-papers/>

	PERFORMANCE ENHANCEMENT	RISK CONTROL	COMPLIANCE	OPERATIONAL EFFICIENCY
<p><b>Wealth Managers - Managed Accounts</b></p>	<p>Track the evolution of trend ratings, measuring the percentage of uptrends vs downtrends to form a comprehensive overview of trend developments across markets and regions.</p> <p>Utilise information to better optimize portfolio exposures in current market regime.</p>	<p>Gain timely insights into securities whose trends are potentially exhausted and thus ones to avoid in terms of position building.</p> <p>Help limit drawdowns in the case of uptrends that might be coming to an end as well as early participation in downtrends that have potentially bottomed out. Particularly relevant for wealth preservation mandates</p>	<p>Add a well-tested technological resource to validate investment ideas.</p> <p>Ensure best practices in record keeping and internal controls by maintaining detailed records of inputs that substantiate investment activities.</p>	<p>Transform through technology to provide expanded coverage and enhanced revenue capabilities, while reducing costs and risks to the business.</p> <p>Utilising technology can help advisors spend more time with clients, enabling a personalised and proactive engagement relating to the events and themes relevant to their portfolios.</p> <p>Reduce operational risk and time spent on manual tasks.</p>

	PERFORMANCE ENHANCEMENT	RISK CONTROL	COMPLIANCE	OPERATIONAL EFFICIENCY
<p><b>Wealth Managers - Advisory Accounts</b></p>	<p>Build a white-list comprising of highly rated securities which have the greatest potential to generate positive returns.</p> <p>Run health checks on an unlimited number of security baskets to keep clients informed of the strongest investment ideas.</p>	<p>Evaluate the impact of recommendations on the weighted TCR of a portfolio.</p> <p>Monitor white-list consistently to help guide buy/sell decisions whilst respecting client constraints and parameters</p>	<p>Add a well-tested technological resource to validate investment ideas.</p> <p>Ensure best practices in record keeping and internal controls by maintaining detailed records of inputs that substantiate investment activities.</p>	<p>Transform through technology to provide expanded coverage and enhanced revenue capabilities, while reducing costs and risks to the business. Utilising technology can help advisors spend more time with clients, enabling a personalised and proactive engagement relating to the events and themes relevant to their portfolios.</p> <p>Leverage library of charts, data tables and graphs to document information and communicate to a wide range of audiences.</p>

	INDEPENDENT OVERSIGHT
Risk Managers	<p>Expand risk models incorporating a well tested and validated rating and scoring model.</p> <p>Test trend strategies across different market events and cycles.</p> <p>Track and monitor the Trend Capture Rating 'TCR' for all funds, strategies and managed accounts within the investment organization. Be alerted to downgrades at both the underlying security and aggregated portfolio level.</p> <p>Identify areas of exposures in house and client portfolio's and allow for proactive optimisation action to address those areas of weakness.</p>

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