

THE NEXT LEVEL OF RISK MANAGEMENT

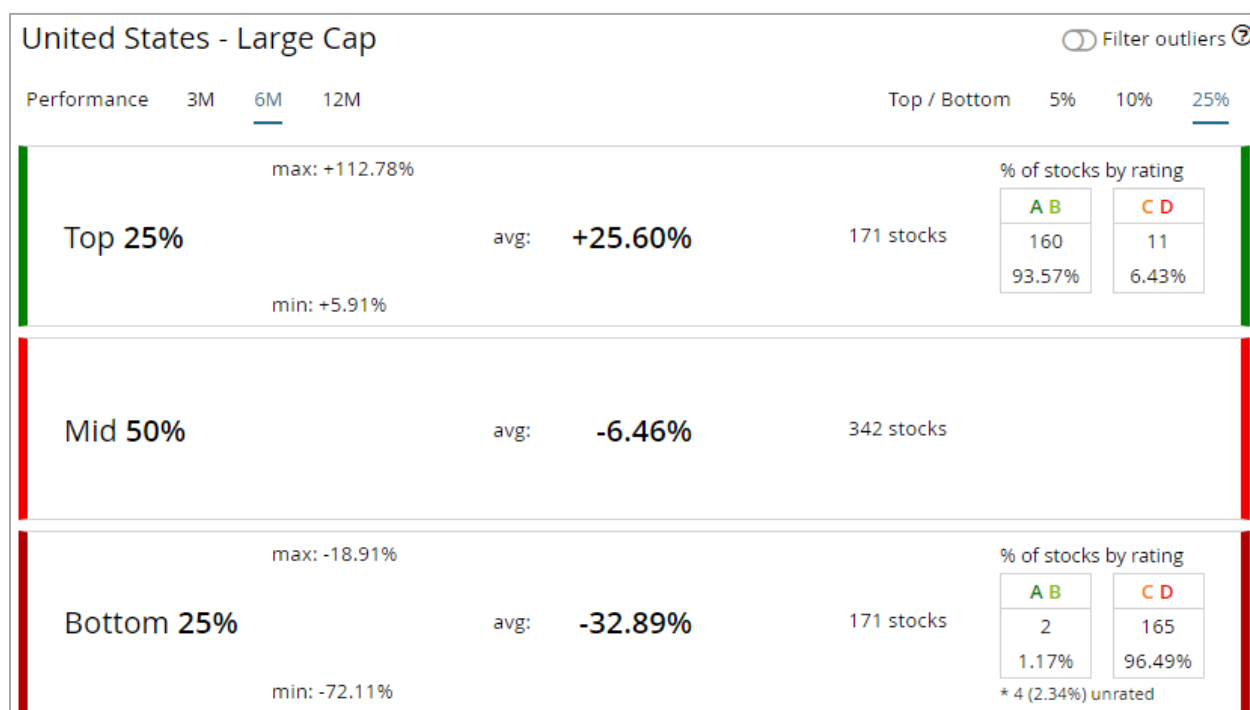
The performance of equity portfolios can be damaged by the exposure to stocks recording a price correction lasting months and even quarters.

The “trend risk” across individual holdings is often not properly measured and therefore underestimated, due to a lack of adequate analytics and tools.

The market dynamics are becoming more complex and price trends of individual securities are impacted by a variety of factors, including fast changing macro developments, reversals in investors sentiment, social media influence, growing momentum following and larger pools of money chasing and accelerating trends. Fundamental analysis alone cannot capture this growing complexity, where the money flow is the driver of trends.

Risk management for active portfolios must evolve and incorporate new data and advanced analytics that add critical intelligence to navigate today’s markets.

Performance dispersion is at work in any investment universe all the time.



The risk to have an over-exposure to the worst performing stocks in the chosen universe is real and it is the main reason behind underperformance.

Monitoring the quality of individual stock trends and avoiding a poor, high risk “trend allocation” is key to performance and can be performed adding a layer of well-tested trend analytics to the investment process.

Table above – Trendrating model correctly captured well in time **93.57%** of the top 25% performers (rating **A** and **B**), while promptly avoiding **96.49%** of the bottom 25% performers (rating **C** and **D**).

Data and technology to reduce the “trend risks”

A = Strong Bull Trend

B = Beginning of a Bull Trend

C = Inception of a Bear Trend

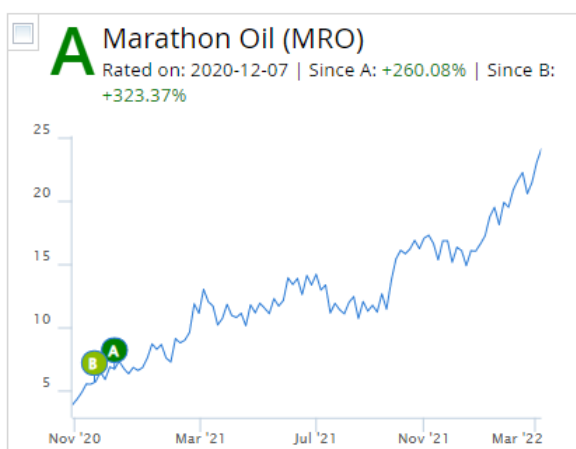
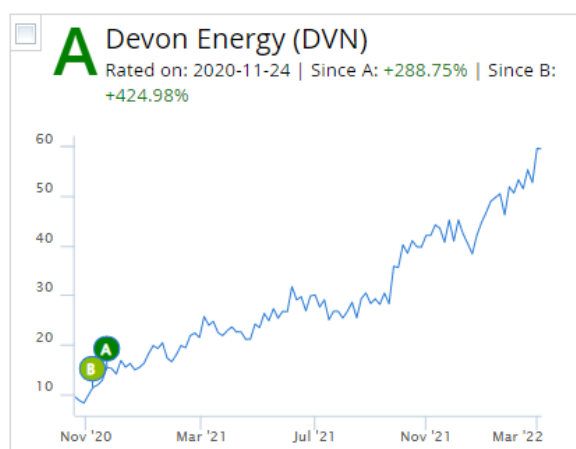
D = Strong Bear Trend

Rating	#	Average Return
Total	500	4.19%
A	383	8.01%
B	20	-5.30%
C	27	-13.70%
D	70	-9.67%
AB	403	7.98%
CD	97	-10.79%

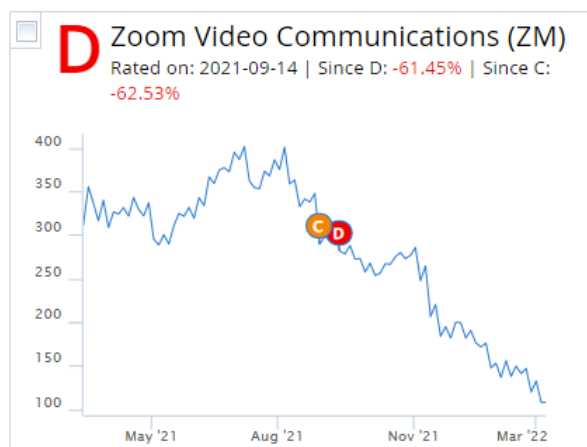
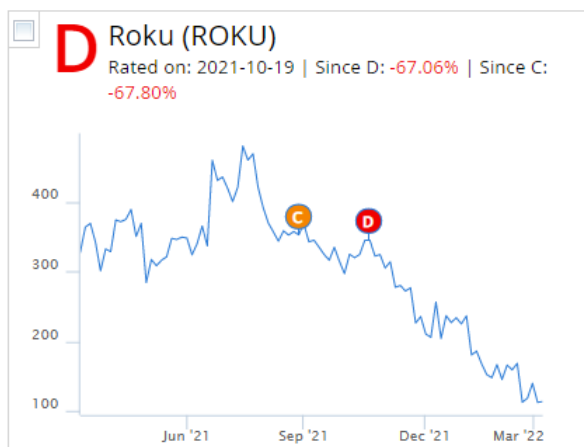
Table above - Average return for the 6 Months ending *February 1st, 2021* of the 500 US Largest cap stocks rated **A** and **B** vs. those rated **C** and **D**. (S&P 500 - 6 months return +7.98%).

Track Record of Trendrating model - Selection of US Winners and Losers

Winners:



Losers:



What are the next winners and losers?

Over the last week, Trendrating model issued **9 upgrades** and **40 downgrades** in US.

Act now, contact us at discover@trendrating.net and access the full list in advance

Important Information: The evaluations, rankings and information provided by Trendrating (the "Services") are provided solely for the use of finance professionals (the "Users") who have been issued a license to use the Services by Trendrating and who, by nature of their status as investment professions understand, or are expected to understand, the complexity of finance products, the functioning of the markets and the risks inherent in them. The Services are not offered for use by persons not employed or actively working as professionals in the finance and investment industry. The Services are to be used entirely at the risk of the Users. Included in the Services are forward-looking statements that are based on observations, assumptions and calculations that reflect Trendrating's expectations. Forward-looking statements are subject to numerous risks and uncertainties that could cause actual results to materially differ from those expectations. The Services are not intended to constitute a recommendation of any specific security or financial product and are to be implemented solely in conjunction with or as part of a complete investment evaluation conducted by the Users. Under no circumstances shall Trendrating, its officers, directors, employees or agents be liable for any damages, lost profits or investment losses that result in any way from use of the Services or any interruptions, errors or delays in the Services. **Trendrating S.A. © 2013-2022. All rights reserved.**