



# DEALS Managed Account Platform

Solving the key challenges of taxable investors

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# **Quantinno Full Alpha Model**

# Quantinno Full Alpha Model

Stock selection methodology for return forecasting

Valuation / Reversal	Momentum	Quality
Attractive price relative to fundamentals and fair value, and short-to-medium frequency mean reversion	Companies with improving fundamentals and performance	Strong financial health that provides resilience across different market environments
Sustainable Earnings	Management Signaling	Investor Sentiment
Sound accounting practices and sustainable earnings	Management acting in shareholders' best interest	Don't fight against smart investors in the market
	Behavioral Bias	
	Predict behavioral biases of market participants	

# Underlying Example Signals

150+ signals used across the Full Alpha Model considering both fundamental & market data

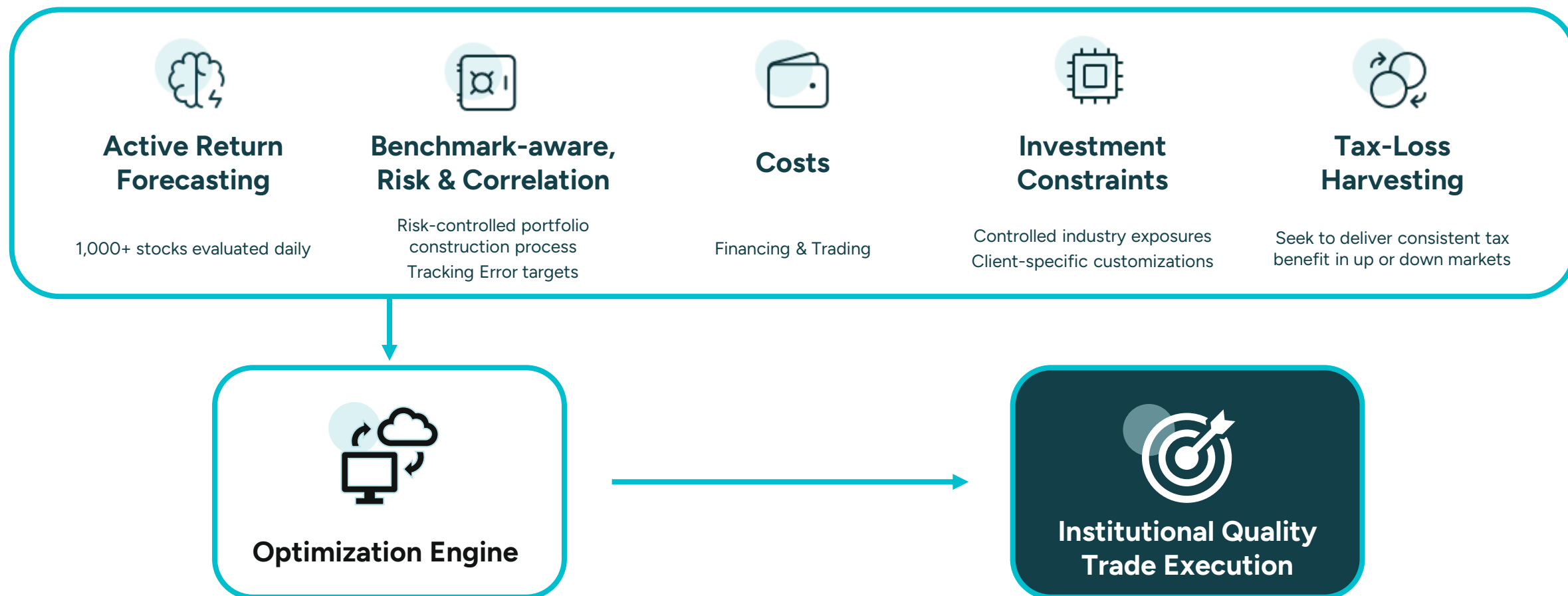
Factor	Signal
<b>Value</b> <i>Attractive price relative to fundamentals and fair value, and short-to-medium term mean reversion<sup>1</sup></i>	<ul style="list-style-type: none"><li>• Forecast sales-to-enterprise value</li><li>• Forecast cash flows-to-enterprise value</li></ul>
<b>Momentum</b> <i>Companies with improving fundamentals and performance</i>	<ul style="list-style-type: none"><li>• Forecast sales revisions</li><li>• Post-earnings announcement drift</li></ul>
<b>Quality</b> <i>Strong financial health that provides resilience across different market environments</i>	<ul style="list-style-type: none"><li>• Forecast gross margins</li><li>• Gross profits-to-assets</li></ul>
<b>Sustainable Earnings</b> <i>Sound account practices and sustainable earnings</i>	<ul style="list-style-type: none"><li>• Negated accruals-based ratios</li><li>• GAAP vs. street earnings</li></ul>
<b>Management Signaling</b> <i>Management acting in shareholders' best interest</i>	<ul style="list-style-type: none"><li>• Share issuance/buybacks</li><li>• Forecast share issuance/buybacks</li></ul>
<b>Investor Sentiment</b> <i>Do not fight against smart investors in the market</i>	<ul style="list-style-type: none"><li>• Short interest utilization</li><li>• Change in short interest utilization</li></ul>
<b>Behavior Bias</b> <i>Predict behavioral biases of market participants</i>	<ul style="list-style-type: none"><li>• Magnitude of discrepancies in analyst forecasts across various line items</li></ul>

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# **Portfolio Construction**

# Optimization Engine

Scalable platform designed to maximize after-tax wealth



# Sample DEALS 130/30 Implementation

Active weights determined by Full Alpha Model scores

					Model/Factor Quintile (1 = Highest, 5 = Lowest)				
Stock	Sector	Benchmark Weight	130/30 Weight	Active Weight	Model	Value	Momentum	Quality	Proprietary
BOSTON BEER INC	Consumer Staples	0.01%	0.41%	0.40%	1	2	1	1	1
KEURIG DR PEPPER INC	Consumer Staples	0.08%	-0.20%	-0.27%	5	3	4	5	5
CIRRUS LOGIC INC	Information Technology	0.01%	0.39%	0.38%	1	1	2	1	1
ADVANCED MICRO DEVICES	Information Technology	0.41%	-0.10%	-0.51%	5	5	4	5	5
DOCUSIGN INC	Information Technology	0.02%	0.46%	0.44%	1	1	3	1	1
SALESFORCE INC	Information Technology	0.48%	0.84%	0.36%	1	1	2	3	2



