

Equity Stretch Model Overview

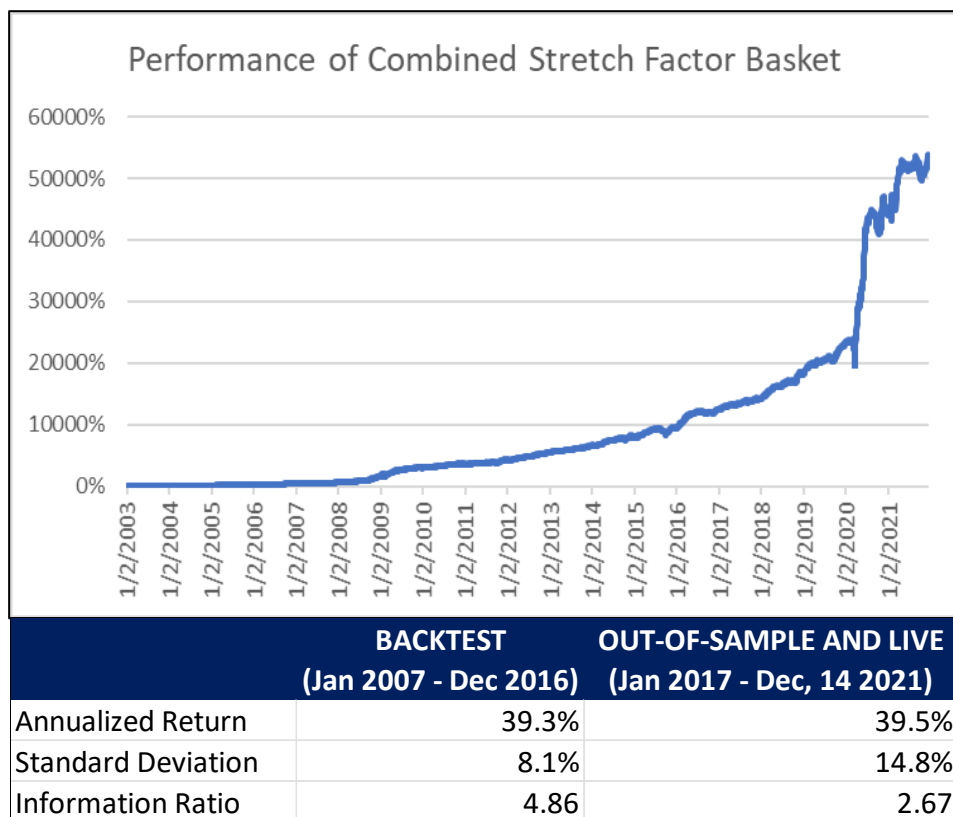
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Signal Analytics is an independent analytics firm dedicated to delivering alpha generating models and tools to institutional investors. Founded in 2011, Signal is proud to count the world's largest intuitional investors among its clients, including over 30 prominent hedge and asset managers in the U.S. and U.K.

- Signal applies a combination of Statistical Regression Analyses to identify when securities excessively deviate from their closest correlated macro variable and industry and sector indexes.
- Numeric score is based on a scale of +/- 100; The highest absolute signals are our strongest.
- The stronger scores offer excellent alpha generation delivering out-of-sample and live annualized returns of 39.5% and 2.67 Information Ration.
- Coverage currently includes ~3500 US listed securities, ~2000 international securities, and ~700 ETFs. Coverage can be expanded to include any listed security with a minimum 2-year trading history.
- With a relatively short optimal holding period of ~5 days, the Stretch model is an excellent tactical timing tool which can be used in combination with the Signal Technical Model.

Stretch Model Performance

The Stretch models offers consistent in-sample and out-of-sample returns.



	Number Score Observations	15 Year Backtest	4 Year Out-of-Sample
10	20,911	61.34	110.01
9	51,297	27.38	33.39
8	35,521	24.85	19.03
7	46,895	14.25	7.21
6	34,506	13.98	8.56
5	89,970	9.98	7.26
4	148,853	9.13	9.04
3	365,738	6.28	6.59
2	1,210,582	4.98	4.71
1	512,317	3.52	4.82
0	3,661,208	1.24	0.65
-1	598,836	-1.64	-0.20
-2	922,848	-3.41	-2.68
-3	818,666	-6.31	-2.48
-4	929,908	-7.99	-7.14
-5	122,503	-10.97	-16.58
-6	96,384	-13.03	-38.66
-7	84,916	-14.08	-26.97
-8	17,280	-19.26	-73.43
-10	9,817	-45.69	-103.33

*Returns are based on holding each signal for exactly 5 days and annualizing the returns. Returns do not include transaction costs or slippage.

- Signal Analytics produces a proprietary suite of tools, data and analytics that help clients make timely, informed, and accurate investment decisions.
- Founded in 2011 by Stephen Davis, Signal Analytics provides institutional investors with macroeconomic, quantitative and technical tools to complement the fundamental research process. These tools are synthesized to generate specific investment recommendations for almost 2000 large cap stocks across most sectors of the US market.
- Signal Analytics understands the needs of institutional investors because the team has been there. Each member of the Signal development team has multiple decades of institutional buy-side experience.
- Signal Analytics is proud to count the world's largest institutional investors among its clients, including over 30 prominent hedge and asset managers in the U.S. and U.K.
- For more information, please contact Signal's head of sales, Patrick Quill at 917.597.3920 or pquill@signal-inc.com.

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