Performance Review Swiss Equities

- Long Short versus SPI Price Return
- Long Only versus SPI Price Return
- Short Only versus Short SMIM

www.neo-ta.com, Januar 2018

The neoclassical model is centered around two principles – trend and timing

Trend

- Trend and Trend brakes are clearly defined based on a simple algorithmic calculation on all time frames
- Mean Time to Failure (MTTF) indicates how far the trend has gone

Timing

- Focus on determining where supply and demand is on the chart
- Tests are how we determine the strength of supply and demand based on time, price, volume

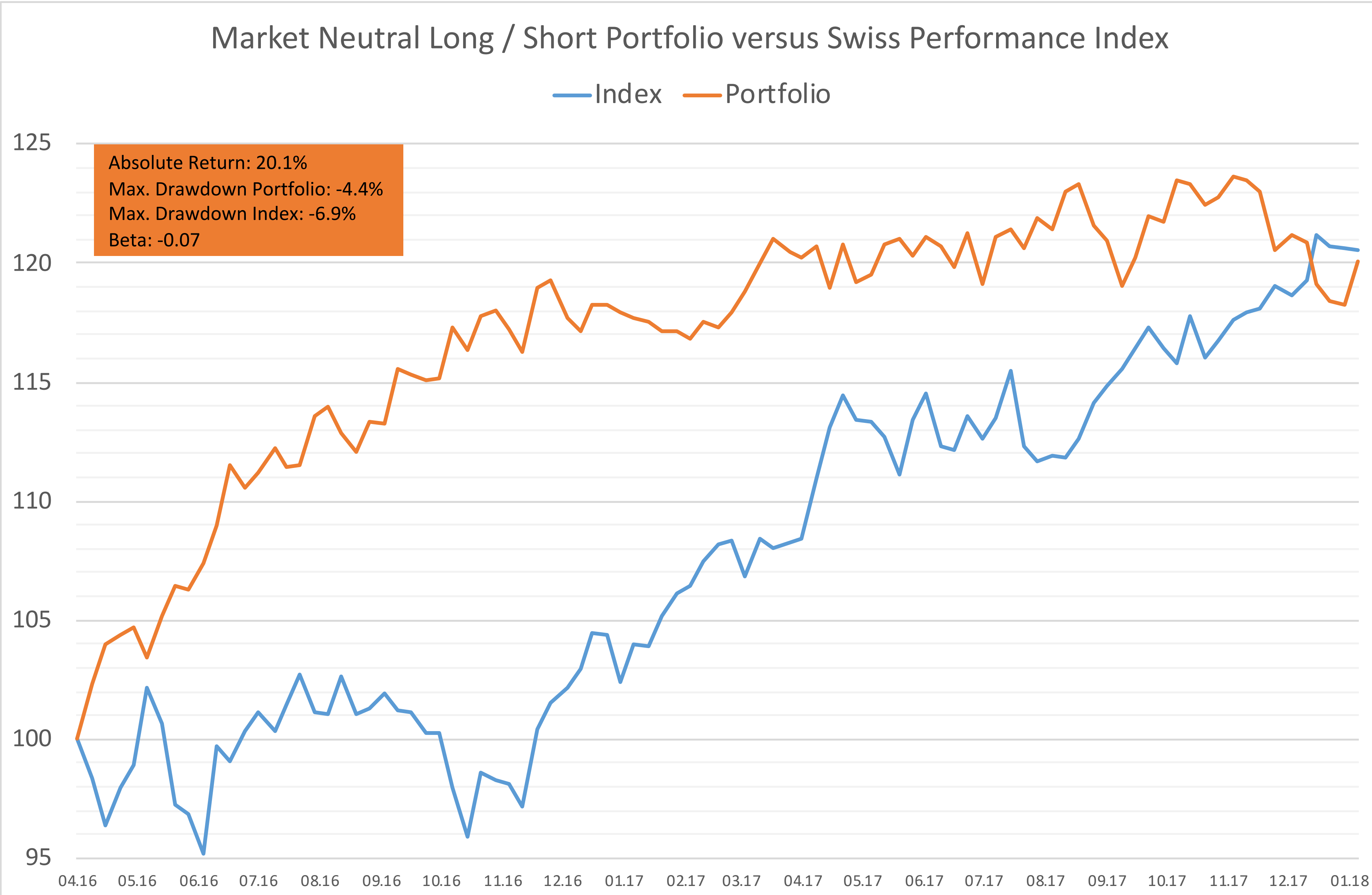
- Works on all timeframes and all market environments
- Provides not only risk-to-reward but, more importantly, the probability of outcome
- Has a built in risk management component
- Greatly increases ones ability to be on the right side of the market the vast majority of time
- Is excellent at foretelling the potential of a fast, large decline

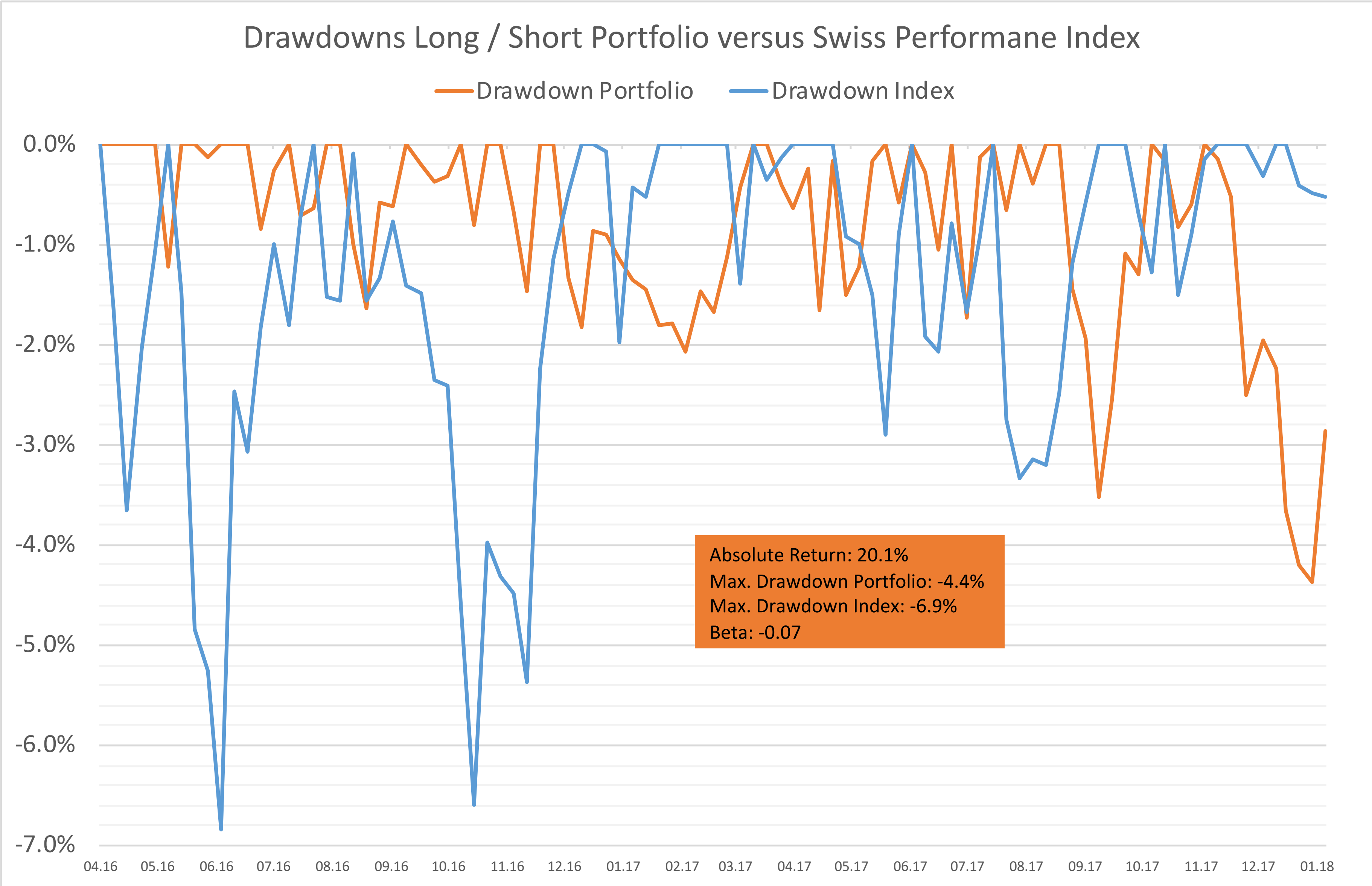
Portfolio construction

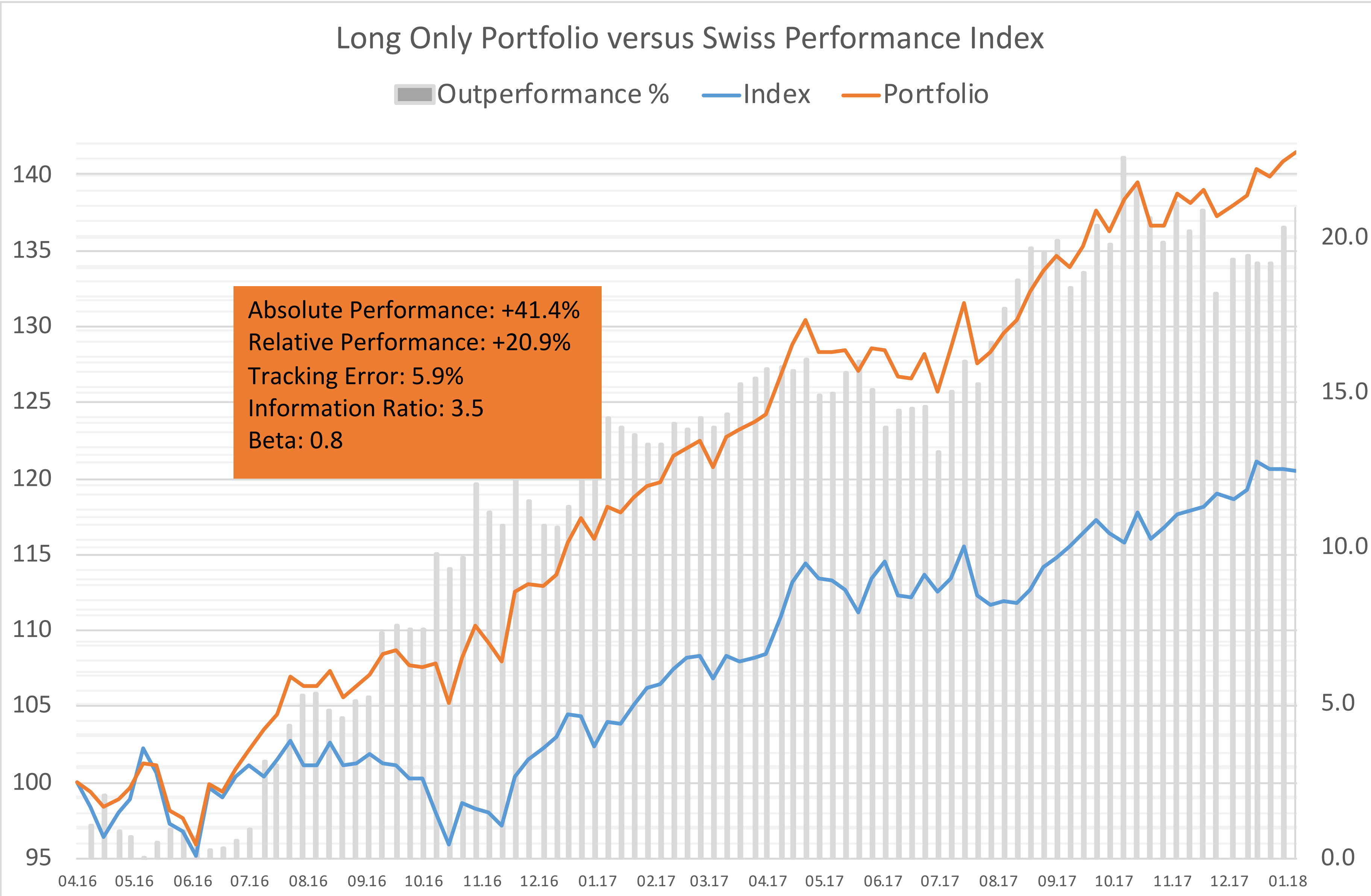
For the portfolios on the next few slides we implement the neoclassical concept as follows

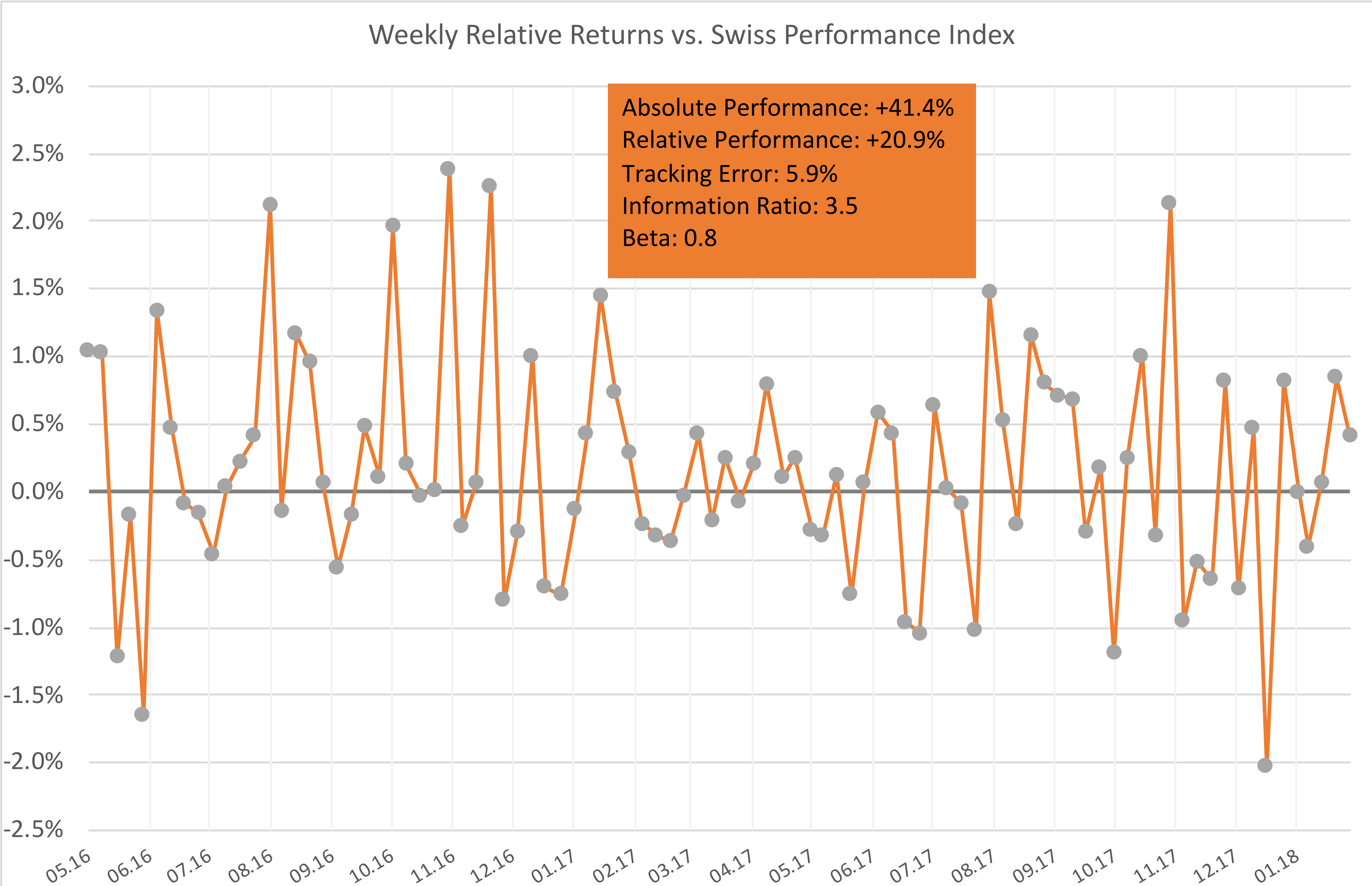
- Market neutral strategy, i.e. always invest 100% long and 100% short (no market timing!)
- Our universe are the 70 biggest and most liquid stocks in the Swiss Performance Index
- Pick 10 – 15 stocks long
- Pick 10 – 15 stocks short
- Equal weight all long positions and equal weight all short positions
- Let the portfolio run unchanged one week
- Adjust portfolio and rebalance to equal weight each Monday at opening
- Measure the weekly performance by using GIPS methodology for the following portfolios:

  - Long Short Portfolio versus SPI Price Return (slide 4 & 5)
  - Long Only Portfolio versus SPI Price Return (slide 6 & 7)
  - Short Only Portfolio versus Short SMIM (slide 8)

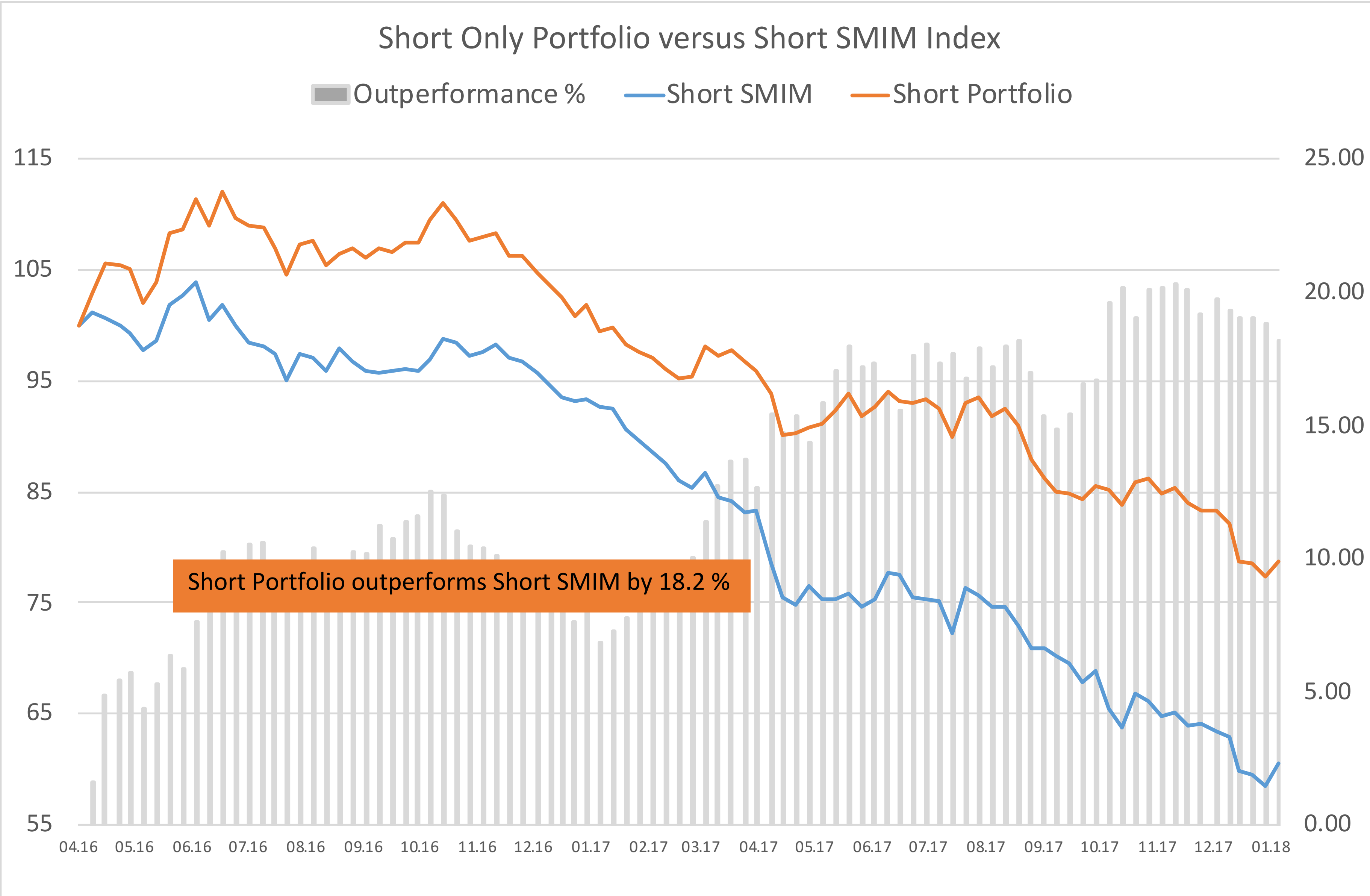

Market Neutral Long / Short Portfolio versus Swiss Performance Index
Index
Portfolio
Absolute Return: 20.1%
Max. Drawdown Portfolio: -4.4%
Max. Drawdown Index: -6.9%
Beta: -0.07
125
120
115
110
105
100
95
04.16
05.16
06.16
07.16
08.16
09.16
10.16
11.16
12.16
01.17
02.17
03.17
04.17
05.17
06.17
07.17
08.17
09.17
10.17
11.17
12.17
01.18


Drawdowns Long / Short Portfolio versus Swiss Performane Index
Drawdown Portfolio
Drawdown Index
0.0%
-1.0%
-2.0%
-3.0%
-4.0%
-5.0%
-6.0%
-7.0%
04.16
05.16
06.16
07.16
08.16
09.16
10.16
11.16
12.16
01.17
02.17
03.17
04.17
05.17
06.17
07.17
08.17
09.17
10.17
11.17
12.17
01.18
Absolute Return: 20.1%
Max. Drawdown Portfolio: -4.4%
Max. Drawdown Index: -6.9%
Beta: -0.07


Long Only Portfolio versus Swiss Performance Index
Outperformance % Index Portfolio
Absolute Performance: +41.4%
Relative Performance: +20.9%
Tracking Error: 5.9%
Information Ratio: 3.5
Beta: 0.8
140
135
130
125
120
115
110
105
100
95
20.0
15.0
10.0
5.0
0.0
04.16 05.16 06.16 07.16 08.16 09.16 10.16 11.16 12.16 01.17 02.17 03.17 04.17 05.17 06.17 07.17 08.17 09.17 10.17 11.17 12.17 01.18



Weekly Relative Returns vs. Swiss Performance Index
Absolute Performance: +41.4%
Relative Performance: +20.9%
Tracking Error: 5.9%
Information Ratio: 3.5
Beta: 0.8
3.0%
2.5%
2.0%
1.5%
1.0%
0.5%
0.0%
-0.5%
-1.0%
-1.5%
-2.0%
-2.5%
05.16
06.16
07.16
08.16
09.16
10.16
11.16
12.16
01.17
02.17
03.17
04.17
05.17
06.17
07.17
08.17
09.17
10.17
11.17
12.17
01.18


Short Only Portfolio versus Short SMIM Index
Outperformance %
Short SMIM
Short Portfolio
115
105
95
85
75
65
55
25.00
20.00
15.00
10.00
5.00
0.00
04.16 05.16 06.16 07.16 08.16 09.16 10.16 11.16 12.16 01.17 02.17 03.17 04.17 05.17 06.17 07.17 08.17 09.17 10.17 11.17 12.17 01.18
Short Portfolio outperforms Short SMIM by 18.2 %