C8 Create, Trade & Own.

May 2023

We seek to empower professional investors to deliver better performance

Introducing Trendrating
Direct Indices Through C8

C8 US *Optimized Allocation Strategies* are a series of research-driven portfolio models that cover a range of investment styles and objectives. This is a first-of-a-kind offering that leverages C8 Technologies' Tactical Asset Allocation portfolio optimization approach. This framework is used to design models that help advisors navigate the decision-making as to how to best allocate amongst assets in order to achieve their objectives.

Introducing Trendrating Direct Indices Through C8

This presentation is a brief look at several of the strategies that is designed to demonstrate the power of C8's proprietary Tactical Asset Allocation optimizer as well as the benefit of utilizing strategies designed by Trendrating.

C8 Labs is happy to provide these models or partner with advisor teams to customize models that meet the specific needs of your team.

Introducing Trendrating
Direct Indices Through C8

- We start by demonstrating C8's portfolio optimization through application to the different style boxed ythat make up the broad market.
- Then, we take a look at several Trendrating indices now available through the C8 platform
- Finally, we combine the C8 optimized model with the Trendrating strategies and observe the results

C8

C8 US Style Box Allocation Strategy

This strategy was created from a group of ETFs that make up the US size and style universe. The ETFs are selected by the optimizer and rebalanced and reoptimized quarterly.

This strategy can be thought of as an aggressive interpretation of style box management and has few constraints around concentration.
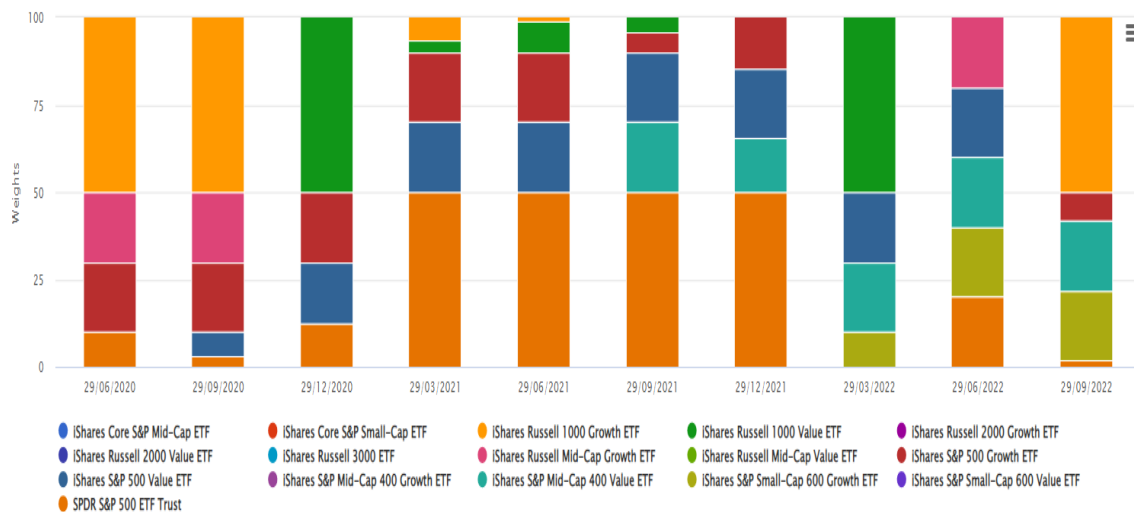
Index Performance

April 2016-May 2023	Benchmark	C8
	Russell 3000	US Style Box Model
Annualized Return	10.62%	13.95%
Realized Vol	16.92%	15.07%
Downside Vol	12.73%	10.60%
Max Drawdown	-24.73%	-19.06%
Sharpe Ratio	0.63	0.96
Sortino Ratio	0.83	1.32

C8

C8 US Style Box Allocation Strategy

- Note that the optimizer continually adjusts the allocation to the various components available based on market conditions and the behavior of the component strategies on an absolute basis and relative to one another.

Recent Portfolio Allocation for C8 US Style Box Strategy

Legend:
- iShares Core S&P Mid-Cap ETF
- iShares Core S&P Small-Cap ETF
- iShares Russell 1000 Growth ETF
- iShares Russell 1000 Value ETF
- iShares Russell 2000 Growth ETF
- iShares Russell 2000 Value ETF
- iShares Russell 3000 ETF
- iShares Russell Mid-Cap Growth ETF
- iShares Russell Mid-Cap Value ETF
- iShares S&P 500 Growth ETF
- iShares S&P 500 Value ETF
- iShares S&P Mid-Cap 400 Growth ETF
- iShares S&P Mid-Cap 400 Value ETF
- iShares S&P Small-Cap 600 Growth ETF
- iShares S&P Small-Cap 600 Value ETF
- SPDR S&P 500 ETF Trust

Introducing Trendrating Value & Growth – Large Cap

Trendrating Value & Growth – US Large Cap

About Trendrating

Trendrating is the leader in "trend capture" models, analytics, and technology, serving hundreds of investment professionals worldwide and premier partners including Bloomberg, FactSet, and C8 Technologies.

Trendrating provides an innovative, well proven set of analytics to assess and rate the quality of price trends. The ability to capture trends, profiting from bull markets and avoiding bear phases is the key to superior performance on a consistent basis.

Trendrating developed a rating system where A and B identify bull trends and C and D point to bear trends. This rating approach captures in a systematic and unbiased way medium to long term price trends that can impact yearly portfolio returns. The rating of trends is additional market intelligence designed to enrich the investment decision process and maximize returns while improving risk control.

Trendrating Value & Growth Methodology

Overview
Trendrating's sophisticated technology and advanced analytics select stocks that combine solid fundamentals with strong price trends designed to outperform popular benchmarks. The Value & Growth portfolio holds 30 stocks, rebalances quarterly with the S&P 500 as the chosen benchmark.

Methodology
Trendrating examines the largest 800 stocks by market capitalization with an average monthly liquidity greater than ten million shares. It first selects only those stocks rated A or B with a Price to Sales Ratio in the Bottom 200 stocks. Those stocks are then ranked by the highest to lowest Three Month's Sales Growth with the objective of capturing those companies with a recently reported revenue boost. The portfolio limits allocation to any particular Sector at 30% maximum.

Advantage
By limiting the selection to quality fundamentals (value and growth) along with a validated price trend, this process offers broad risk control. If solid fundamentals are not validated by a positive price movement, the disconnect highlights a risk, as the selling pressure on the stock outweighs the buying flow.

Rocco Pellegrinelli
Founder & CEO
Trendrating SA, 2009 - Present
Rocco Pellegrinelli, Trendrating founder & CEO, began his career as a portfolio manager and has since been a proven fintech entrepreneur for the past 20 years. His first fintech venture, Brainpower, became a standard in portfolio analytics and was acquired by Bloomberg in 2006. Rocco and his team of data scientists have spent the last 14 years researching and developing models capable of capturing price trends with more effectiveness than traditional trend following and momentum approaches.

Large Cap

Best Fundamentals

(Growth & Value)

Trend Validation & Ranking

30 Stocks

Introducing Trendrating Value & Growth – Small and Mid-Cap

Trendrating Value & Growth – US SMID Cap

About Trendrating

Trendrating is the leader in "trend capture" models, analytics, and technology, serving hundreds of investment professionals worldwide and premier partners including Bloomberg, FactSet, and C8 Technologies.

Trendrating provides an innovative, well proven set of analytics to assess and rate the quality of price trends. The ability to capture trends, profiting from bull markets and avoiding bear phases is the key to superior performance on a consistent basis.

Trendrating developed a rating system where A and B identify bull trends and C and D point to bear trends. This rating approach captures in a systematic and unbiased way medium to long term price trends that can impact yearly portfolio returns. The rating of trends is additional market intelligence designed to enrich the investment decision process and maximize returns while improving risk control.

Trendrating Value & Growth Methodology

Overview
Trendrating's sophisticated technology and advanced analytics select stocks that combine solid fundamentals with strong price trends designed to outperform popular benchmarks. The Value & Growth portfolio holds 30 stocks, rebalances quarterly with the S&P 500 as the chosen benchmark.

Methodology
Trendrating examines the largest 800 stocks by market capitalization with an average monthly liquidity greater than ten million shares. It first selects only those stocks rated A or B with a Price to Sales Ratio in the Bottom 200 stocks. Those stocks are then ranked by the highest to lowest Three Month's Sales Growth with the objective of capturing those companies with a recently reported revenue boost. The portfolio limits allocation to any particular Sector at 30% maximum.

Advantage
By limiting the selection to quality fundamentals (value and growth) along with a validated price trend, this process offers broad risk control. If solid fundamentals are not validated by a positive price movement, the disconnect highlights a risk, as the selling pressure on the stock outweighs the buying flow.

Rocco Pellegrinelli
Founder & CEO
Trendrating SA, 2009 - Present

Rocco Pellegrinelli, Trendrating founder & CEO, began his career as a portfolio manager and has since been a proven fintech entrepreneur for the past 20 years. His first fintech venture, Brainpower, became a standard in portfolio analytics and was acquired by Bloomberg in 2006. Rocco and his team of data scientists have spent the last 14 years researching and developing models capable of capturing price trends with more effectiveness than traditional trend following and momentum approaches.

Small & Mid Cap

**Best Fundamentals
(Growth & Value)**

**Trend Validation
& Ranking**

**30
Stocks**

C8

Trendrating Blended Strategy

This sleeve was created by simply blending the Trendrating Value and Growth Large-Cap and Small and Mid-Cap strategies. The makeup is simply 80% an 80% allocation to the Large-Cap and a 20% allocation to the Small and Mid-Cap strategies, rebalanced quarterly.

Index Performance

April 2016-May 2023	Benchmark	Trendrating
	Russell 3000	80% LargeCap/20% Smallcap
Annualized Return	10.62%	17.16%
Realized Vol	16.92%	19.54%
Downside Vol	12.73%	16.34
Max Drawdown	-24.73%	-30.36%
Sharpe Ratio	0.63	0.88
Sortino Ratio	0.83	1.05

C8

Style Box Plus Trendrating Blended Strategy

This model was created by taking the components of the C8 Style Box Strategy and adding the Trendrating Value and Growth Large-Cap and Small and Mid-Cap strategies. The C8 Optimizer then determines the allocations to the ETFs and/or the TrendRating strategies on an ongoing basis.

Index Performance

April 2016-May 2023	Benchmark	Style Box Model Plus
	Russell 3000	Trendrating
Annualized Return	10.62%	14.70%
Realized Vol	16.92%	15.37%
Downside Vol	12.73%	10.61%
Max Drawdown	-24.73%	-19.05%
Sharpe Ratio	0.63	0.96
Sortino Ratio	0.83	1.39

C8

Overall Comparison

April 2016-May 2023	Benchmark	Trendrating	C8	Style Box Model
	Russell 3000	80% LargeCap/20% Smallcap	US Style Box Model	Plus Trendrating
Annualized Return	10.62%	17.16%	13.95%	15.41%
Realized Vol	16.92%	19.54%	15.07%	15.90%
Downside Vol	12.73%	16.34%	10.60%	11.57%
Max Drawdown	-24.73%	-30.36%	-19.06%	-20.47%
Sharpe Ratio	0.63	0.88	0.96	0.97
Sortino Ratio	0.83	1.05	1.32	1.33

Overall Observations

- The optimizer is able to make allocation decisions that meaningfully increased returns while decreasing volatility and drawdowns simply by tactically allocating to the components of the broad market.

- Trendrating strategies delivered outstanding performance over this 7-year horizon, albeit at the cost of higher volatility and drawdowns.

- Adding the Trendrating strategies to the menu of available choices for the optimizer enabled the optimizer to make allocation decisions that were able to improve upon the returns of the style box model without as much of an increase in volatility and drawdowns- resulting in further enhancements to the Sharpe and Sortino ratios.

C8

Your Custom Strategy

The team of experts at C8 Labs can partner with your team to create and optimize your custom model utilizing your preferred instruments, your allocation constraints, and your desired risk and return objectives.

Index Performance

Weights

Live Track Record in Bold. This Index is not a benchmark within the meaning of the Benchmarks Regulation issued by ESMA

C8

Get in Touch With us

Contact Us

🌐 C8-technologies.com

✉ Info@C8-technologies.com

in LinkedIn.com/company/c8technologies