

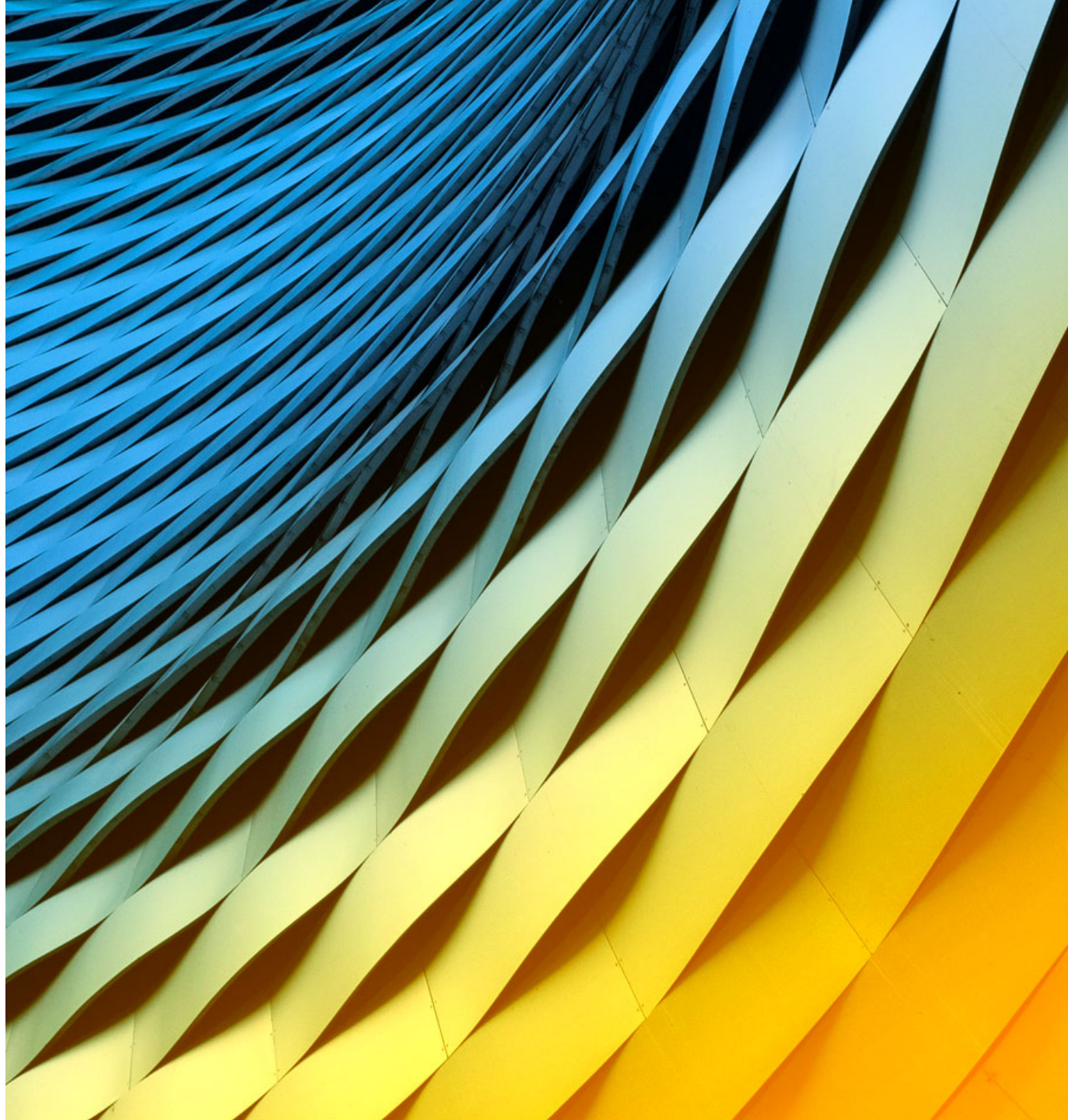
Toggle AI – How AI can help with tactical investment decisions

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Toggle AI

March 12, 2021



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Invest **Rationally**, Not **Rashly**

How AI can help with tactical investment decisions

February 5, 2021

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In a daily barrage of new “information” portfolio managers are often forced to make a large number of fast decisions with incomplete knowledge.

- "Big sell-off in the largest portfolio holding: is it temporary? Do we hold? Add?"
- "The government just announcement a new fiscal package: is that good for our allocations? They are rallying!"
- "Yield curve has inverted, signaling a recession. But my economist says activity is picking up. If they're wrong, what is my downside risk?"

Can't we have a little help, too?



Smart assistants are ubiquitous in our daily lives... Why don't they exist in investing?

- Machines are really good at monitoring and processing **large amounts of information**
- They can **uncover price patterns in assets** around events/data changes
- They can **test each relationship for robustness** ... in seconds
- They can **deliver curated insights** tailored to specific users

AI = Augmented Intelligence



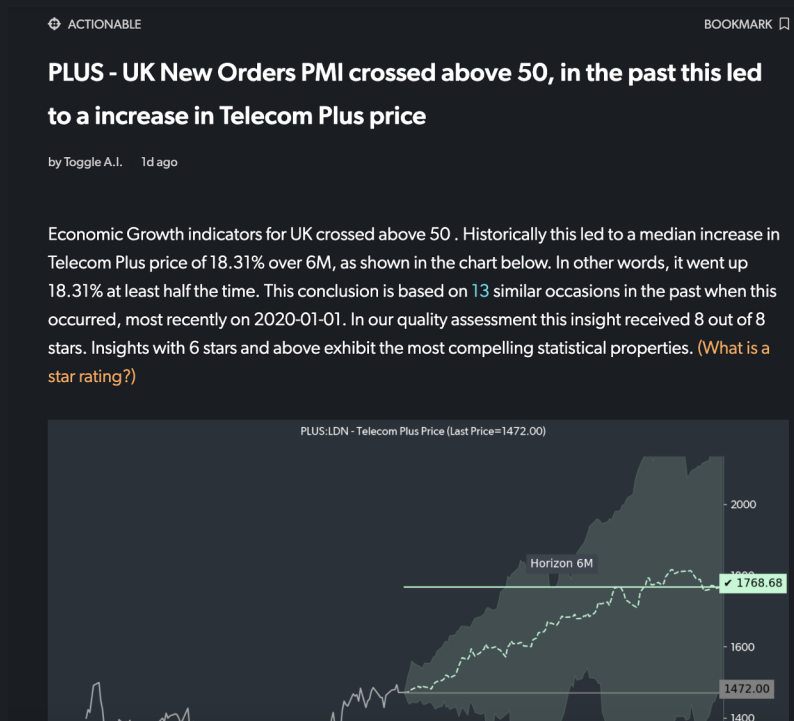
Human intelligence is very good at strategy (the “big picture”) but AI can be helpful with the tactics (the “details”).

AI can crunch the numbers instantly and alert the manager to drivers that are key to their portfolio at the moment (macro vs. micro, momentum or fundamentals etc.)

Machines replicate investor's work on a much larger scale



Machines are replacing the analysis investors should be doing anyway – but they do it much faster



Source: Toggle

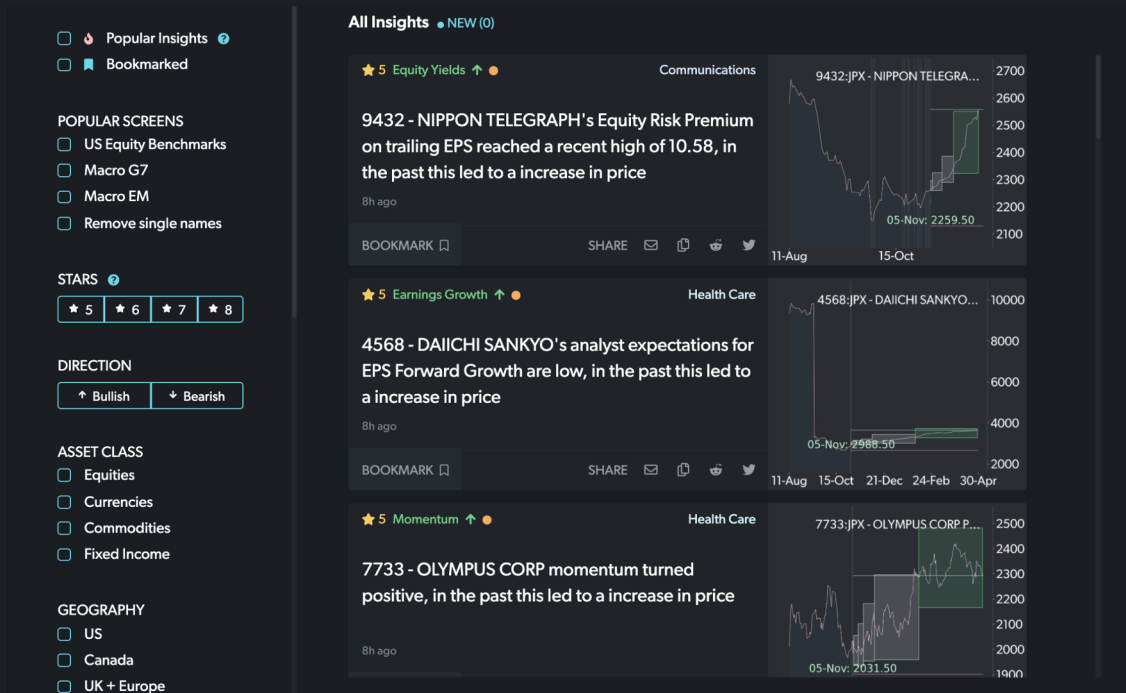
Where can machines be helpful to individual investors?



Where in the investment process can machines add most value

- Idea generation (“What assets have sold off too much?”)
- Hypothesis testing (“Is yield curve inversion bad for industrials?”)
- Asset due diligence (“What am I missing?”)
- Portfolio risk management (“What is my downside risk?”)

Machines can instantly pinpoint incremental drivers and price pressures



Source: Toggle

Translating macro-environment into actionable ideas

House of Representatives passes \$1.9tn Covid stimulus package

Relief bill includes \$1,400 cheques, jobless aid, and funds for state and local governments

Pimco boss warns of inflation 'head fake'

Dan Ivascyn says bond market could be anticipating price rises that never come

Economics

Larger Stimulus Leads to Big Upgrade to U.S. Growth Forecasts

Identifying beneficiaries of sector rotation, undervalued or lagging stocks

SMALL-CAPS | MARKET VIEW

Steeper Yield Curve Bodes Well For Small-Caps

Goldman Focuses on Value, Cyclical as Global Growth Synchs

Hypothesis testing



Machines can help you test your instincts against the data: is the economic environment bad for stocks?



Source: Toggle

Hypothesis testing



Machines can help you test your instincts against the data: is weakening momentum a problem for the stock?



Source: Toggle

ASSET DUE DILIGENCE

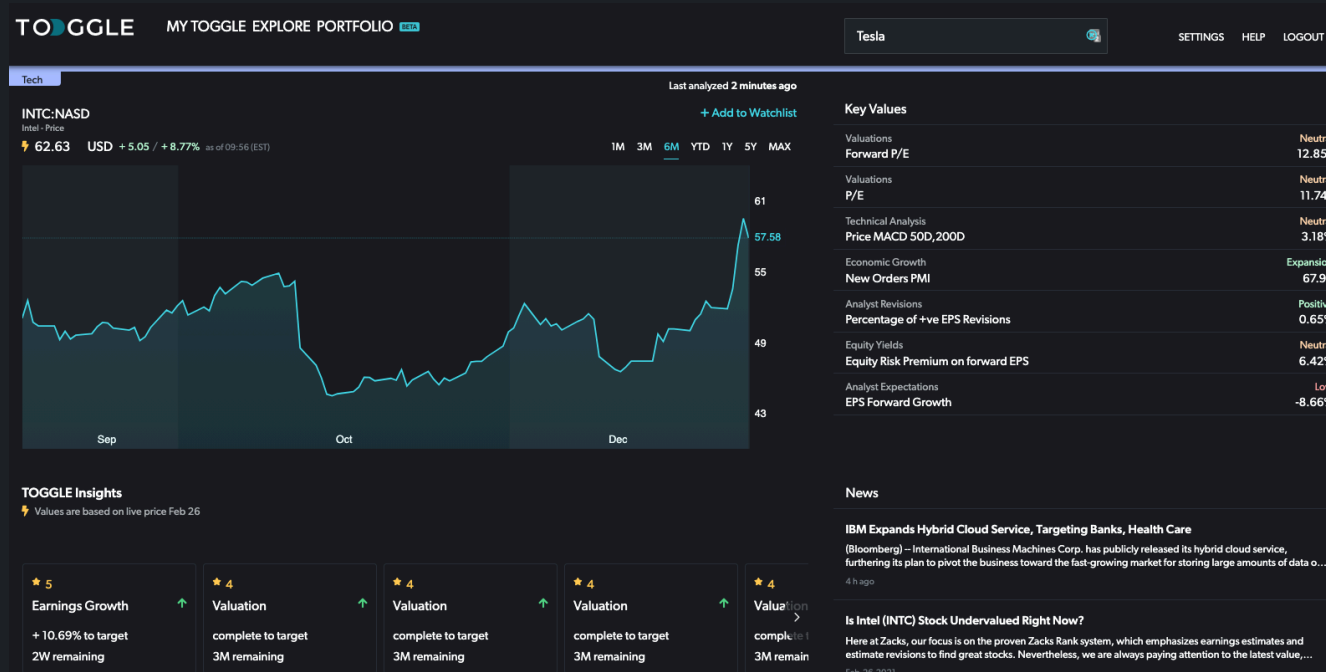


Asset due diligence – where are the price pressures? – can be done instantly



Source: Toggle

Asset due diligence – where are the price pressures? – can be done instantly





Source: Toggle



TOGGLE keeps a watchful eye on your portfolio to identify potential risks



Portfolio


All (256)Bullish (143)Bearish (113)Unread (205)Flagged (158)

- 

HBAN - Huntington Bancshares's P/E reached a recent high of 19.92, in the past this led to a decrease in price
★ 5 - ↓ - Valuations - 15 h ago
- 

GPC - Genuine Parts is at a recent high of 105.35, in the past this led to a decrease in price
★ 5 - ↓ - Price Level - 15 h ago
- 

COO - CooperCompanies dividend yield is low, at 0.01, in the past this led to a increase in price
★ 5 - ↑ - Yield Level - 15 h ago
- 

CMA - Comerica has strong positive momentum, in the past this led to a increase in price
★ 5 - ↑ - Momentum - 15 h ago
- 

CF - CF Industries's 12W,26W Price MACD just crossed below 0, in the past this led to a increase in price
★ 5 - ↑ - Technical Analysis - 15 h ago

Source: Toggle

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