

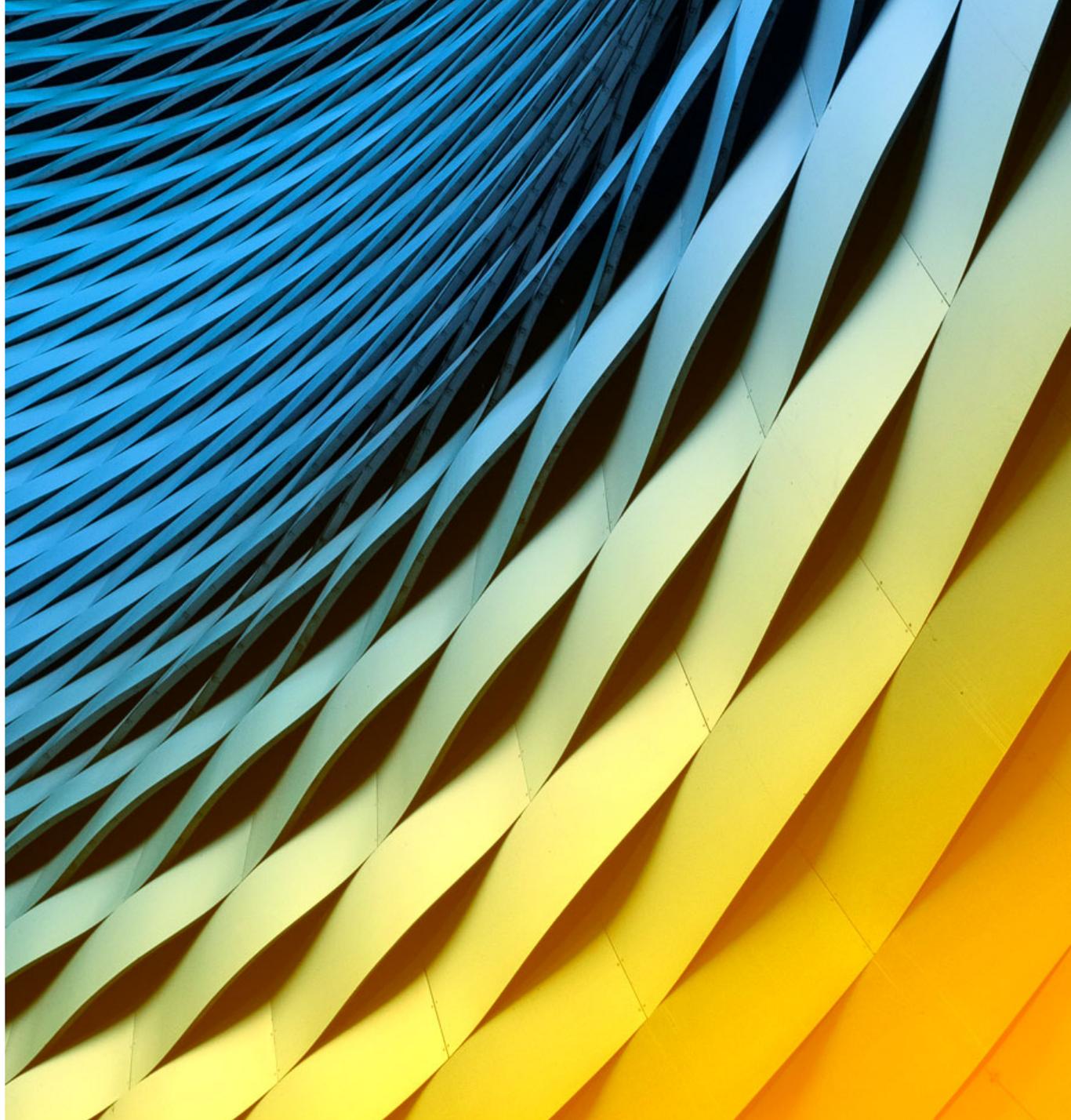
Toggle AI – How AI can help with tactical investment decisions

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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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Decision making in the battlefield



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

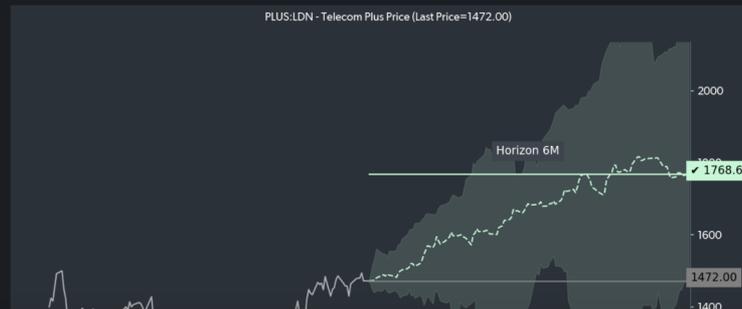
ACTIONABLE

BOOKMARK

PLUS - UK New Orders PMI crossed above 50, in the past this led to a increase in Telecom Plus price

by Toggle A.I. 1d ago

Economic Growth indicators for UK crossed above 50 . Historically this led to a median increase in Telecom Plus price of 18.31% over 6M, as shown in the chart below. In other words, it went up 18.31% at least half the time. This conclusion is based on 13 similar occasions in the past when this occurred, most recently on 2020-01-01. In our quality assessment this insight received 8 out of 8 stars. Insights with 6 stars and above exhibit the most compelling statistical properties. (What is a star rating?)



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

- Popular Insights
- Bookmarked

POPULAR SCREENS

- US Equity Benchmarks
- Macro G7
- Macro EM
- Remove single names

STARS

- 5
- 6
- 7
- 8

DIRECTION

- Bullish
- Bearish

ASSET CLASS

- Equities
- Currencies
- Commodities
- Fixed Income

GEOGRAPHY

- US
- Canada
- UK + Europe

All Insights NEW (0)

★ 5 Equity Yields ↑ ●

Communications

9432 - NIPPON TELEGRAPH's Equity Risk Premium on trailing EPS reached a recent high of 10.58, in the past this led to a increase in price

8h ago

BOOKMARK

SHARE



★ 5 Earnings Growth ↑ ●

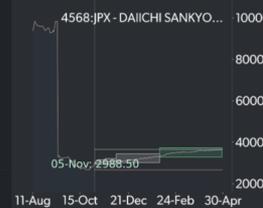
Health Care

4568 - DAIICHI SANKYO's analyst expectations for EPS Forward Growth are low, in the past this led to a increase in price

8h ago

BOOKMARK

SHARE



★ 5 Momentum ↑ ●

Health Care

7733 - OLYMPUS CORP momentum turned positive, in the past this led to a increase in price

8h ago

BOOKMARK

SHARE



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

Idea generation



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

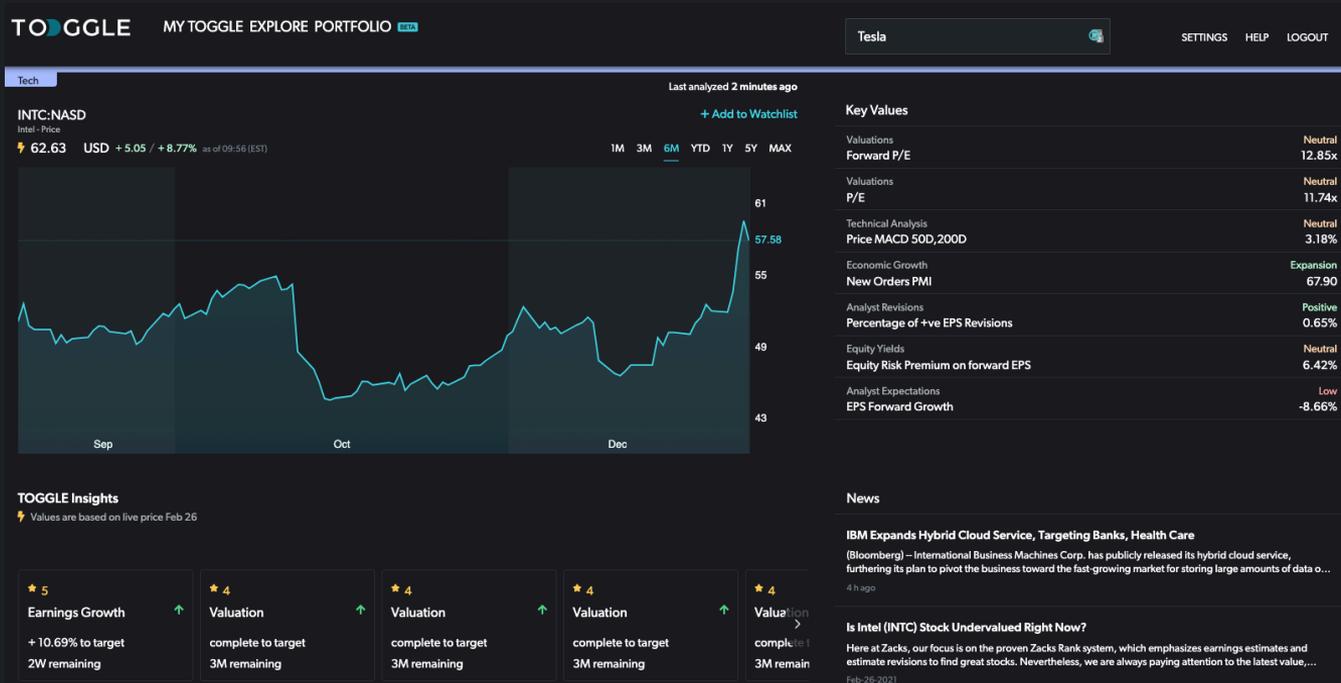


Source: Toggle

ASSET DUE DILIGENCE



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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