



ValuEngine Magnet SMA®

Strategy Features

Strategy & Results

Investment Team

Investment Objective/Strategy

Philosophy

Portfolio Construction and Risk Management

Strategy Features

- Actively managed equity portfolio
- U.S. large, midcap, and small cap equity market
- The portfolio is diversified among sectors and is concentrated in approximately 25 companies
- The investment team has managed hedged equity strategies, managed accounts and mutual funds since 1998

Strategy & Results

- US. Equity market using the “Top Magnets” from all capitalizations
- 25-30 holdings, relatively equally weighted positions
- Sector exposure limited to 35% to limit risk.
- This strategy seeks above market returns and also may experience more volatility than our other models. This strategy also has higher turnover in an effort to maintain a portfolio of current market leaders.

Investment Team

Jordan L. Kimmel

Jordan Kimmel is the Chief Equity Strategist and portfolio manager at ValuEngine. Jordan’s strategies have previously been licensed to prominent institutions. He is the author of two books, including “The Magnet Method of Investing” (Wiley 2009). Media includes CNBC, Fox News, ABC News, Forbes and U.S. News & World Report. Jordan holds a MS in Urban Policy Sciences and a BA in Economics at Stony Brook University.

Ed Matluck, Ph.D.

Ed Matluck, Risk Manager is President of HedgeMetrics, Inc. an independent consulting firm which specializes in portfolio analysis and risk control. Previously, Ed served as Director of Marketing at Advanced Portfolio Technologies, Inc. where he worked with portfolio managers and research directors on the development of structured products, risk control systems, portfolio optimization, and statistical arbitrage models. Ed holds a Ph.D. in Economics from New York University.

Robert Ciasulli

Robert holds a CFA designation and has worked within this portfolio team for over 10 years. Robert is a data scientist focused on forensic financial reporting. Working closely with both the Magnet and FACTS processes, Robert maintains the focus on quality of earnings. Robert has a B.S. in Chemical Engineering from Villanova University.

Investment Objective/Strategy

This strategy seeks annualized returns over a market cycle exceeding the Russell 1000 Growth Index. The manager combines proprietary Magnet®, quantitative screen to identify individual candidates for investment.

Philosophy

The manager is one of the first to blend value, growth, and momentum factors. The Magnet® Stock Selection Process looks at a universe of 1000 of the larger and more institutional companies, identifying those with higher integrity.

The manager was one of the first money managers to blend value, growth, and momentum factors into a unified ranking system. This growth at a discount methodology attempts to identify leaders in industries based on several fundamental factors. These companies are being accumulated by institutional managers and are experiencing substantial revenue growth.

Process

The Magnet® screens identifies the companies most likely to outperform the general US equity indexes. Multiple steps are taken to reduce risk with a focus on valuation and on quality of earnings. Additional risk controls utilizing sector limits are incorporated.

Portfolio Construction and Risk Management

- Single entry positions are limited to 4% on the long side.
- The portfolio is frequently rescored and rebalanced.
- A stop loss rule of 20% from entry is utilized but is rarely experienced.
- Emphasis is placed on replacing weak holdings with newly top ranked companies.
- Since we do not 'closet index' at certain times some sectors are avoided.

ValuEngine Capital Management

ValuEngine (VE) is a stock valuation and forecasting service founded by Ivy League finance academics and Wall Street professionals in 1996.

ValuEngine utilizes the most advanced quantitative techniques and analysis available. Our research team continues to develop, test, and improve the ValuEngine stock valuation and econometric models for forecasting stock price movement.

ValuEngine Capital Management is a registered investment adviser.

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