

The ExtractAlpha Cross-Asset Model 1 (CAM1) – Fact Sheet

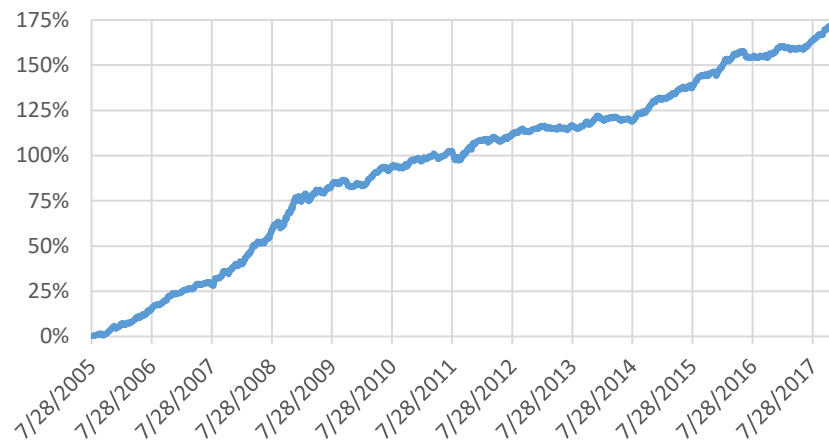
January 2018



The ExtractAlpha Cross-Asset Model 1 (CAM1) is an innovative quantitative stock selection model designed to capture the information contained in options market prices and volumes. The listed equity options market is composed of investors who on average are more informed and information-driven than their cash equity counterparts, due to the higher levels of conviction that are associated with levered bets. As a result we are able to build a unique model which profits from gradual cross-asset information flows.

In historical simulations, high-scoring stocks according to CAM1 outperform low-scoring stocks by 17% per annum with a market-neutral Sharpe ratio of 3.0 before transaction costs. CAM1 is particularly effective in volatile regimes and for mid- and small-cap stocks, and is best used in conjunction with other alpha signals with similar time horizons.

Cumulative market neutral returns



CAM1		
	Ann Ret	Sharpe
Overall	16.9%	2.96
Large cap	7.5%	0.53
Mid cap	15.2%	1.38
Small cap	18.9%	2.84

About ExtractAlpha

ExtractAlpha is an independent research firm dedicated to providing unique, curated, actionable data sets to institutional investors. We apply our extensive experience in quantitative analysis and the design of investment analytics products to interesting new data sets and tools. Our rigorously built quantitative models are designed for institutional investors to gain a measurable edge over their competitors. We also partner with top FinTech data firms to identify investment value in their data sets and help investors profit from these unique new sources of information.

ExtractAlpha's founding team held senior positions in the original R&D and sales teams at StarMine and at top quantitative hedge fund groups including Morgan Stanley PDT.