



Background

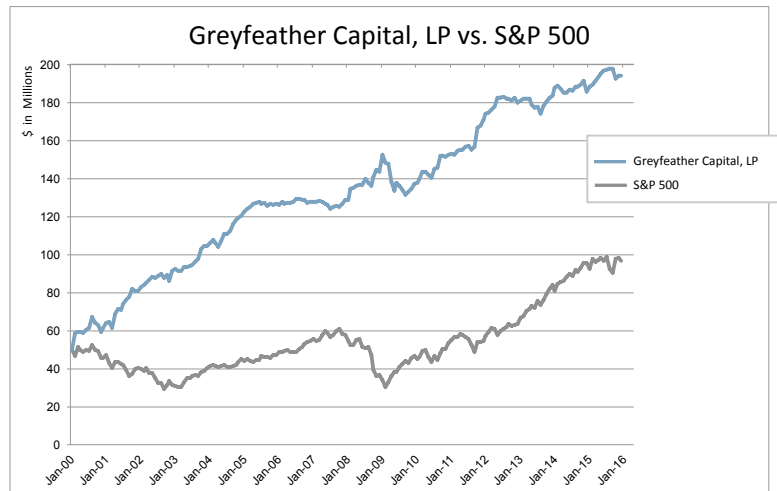
Recent developments in artificial intelligence are revolutionizing what computers are able to do in a variety of areas. Self-driving cars, advanced robotics, and complex computerized game play are all advancements made possible by this cutting-edge technology. Tasks once thought impossible for machines are now being mastered by computers and increasingly, deep neural networks and machine learning have enabled computers to prevail when pitted against human discretion. We have applied this technology to stock portfolio selection.

Strategy Description

Greyfeather Capital, LP employs advanced artificial intelligence techniques in constructing a market hedged long/short equities portfolio. Using over 75 years of market data, our deep neural network architecture has uncovered features that are predictive of stock performance. Our objective is to enable investors to achieve significant capital appreciation beyond what market indices can offer on a long-term basis, while protecting against downside volatility. Artificial Intelligence (AI) can, through the use of rigorous probabilistic assessments, outperform human intuition and passive indexing strategies.

Simulated Fund Performance, 2000 - 2016

Scorecard	
CAGR	8.84% ²
Avg. Annual Net Return	9.20% ²
Standard Deviation	9.33%
Sharpe Ratio	1.01
% Winning Months	68%
Avg. monthly return when S&P 500 has losing month	0.62% ²



Portfolio Composition

All holdings consist of exchange-listed, North American equities (NYSE, NYSE MKT, and NASDAQ). The strategy is quantitative, systematic and diversified – 60% long and 40% short, typically holding 200-500 stocks.

NOTES:

1. Initial model trained and developed on 1926-2000 data, including delisted stocks. Simulation conducted on out of sample data, Feb 2000 – Jan 2016 with beginning capital of 50M. Deep learning prediction engine retrained every two years.
2. All simulated results are net of fees and estimated transactions costs (including slippage).
3. No leverage was used. Both Index and Fund returns are inclusive of dividends and assume reinvestment. Portfolio was 60% long and 40% short throughout the test period..

DISCLAIMER: Hypothetical and back-tested performance results have inherent limitations, some of which are described below. Back-tested returns do not represent the results of actual trading and are calculated through the retroactive application of the Adviser’s model portfolio and strategy configurations, designed with the benefit of hindsight. Since back-tested results do not represent actual trading, they may not reflect the impact that material economic and market factors might have had on the decision-making processes of the Adviser or its systems, if the Adviser was actually managing client assets during the back-test period. Hypothetical performance is not necessarily indicative of future results.

Fund Terms

Management Fee: 1.49%
Performance Fee: 10%
Hurdle: 5%
High Water Mark: Yes

Team

Founder & Portfolio Manager

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