

Turing Technology

Turing's AI-Powered Ensemble Active Management Claims Mantle as Nation's Strongest Lineup of Actively Managed US Equity Portfolios

Wilmington, Delaware. April 3, 2024 – Turing Technology is pleased to announce that the results are in, and Ensemble Active Management, or EAM, now boasts a stronger lineup of actively managed US equity portfolios than any mutual fund company in the nation. EAM was introduced to the market in 2018, deploying advanced technology coupled with a fundamental rethinking of active management. Five years later, based on live and verifiable returns, EAM is now able to 'claim the throne' to an important performance validation.

The specifics behind EAM's mantle as the strongest active US equity lineup, as well as other insights into EAM, are detailed in a Paper recently published by the CFA Institute titled "**EAM: How and Why AI-Powered Active Management Will Dominate Passive.**"

As background, the investment industry labels equity portfolios based on size (large, mid, small) and style (value, blend, growth), with the 3x3 matrix creating 9 'style boxes'. Using the lead EAM strategy for each style box, two powerful statistics emerge: (1) All 9 lead EAM strategies outperform their benchmarks since inception, and (2) the annual excess return vs its benchmark, for all 9 style boxes, averages 5.2% (516 basis points).

Not a single mutual fund firm in the country, when their best 9 funds are used and assessed over 3-year or 5-year periods ending year-end 2023, can make those two claims.

Rob Nestor, President of Turing, stated, "We know it defies conventional wisdom for EAM to elevate to these performance heights in just 5 years. There are over 400 fund companies with active US equity funds, and the largest of them (e.g., Blackrock, Fidelity, Vanguard) have virtually unlimited resources, unlimited access to investment professionals, and decades to hone their craft. And not a single one of them can deliver more performance value than EAM."

Vadim Fishman, Co-Founder of Turing, stated, "There is only one explanation for EAM's success – it is delivering investment value-add in a manner and at a level that the traditional active industry can't. We call that value-add 'Ensemble Alpha,' and it is poised to change the active investment industry, to the benefit of investors."

Rob Nestor added, "There is a fascinating parallel to the launch of data science in Major League Baseball, highlighted in the iconic book *Moneyball*. In 2002, Billy Beane rolled out his first team built on 'sabermetrics.' With the league's smallest payroll, the Oakland A's still broke a 96-year record for consecutive wins. That incredulous record-breaking run stunned the industry. But the Oakland A's data analytics created competitive advantages that tilted the competitive landscape. Today, there is not a professional sports league not impacted by Billy Beane's insights. In the same vein, we expect EAM will become the guiding light for active management."

The CFA paper also draws upon a recent EAM White Paper (validated by an independent, months-long study from senior academics at the Georgia Institute of Technology) that demonstrated that EAM generates excess returns over benchmarks of 4% to 5% annually (400 to 500 basis points).

The CFA Paper can be found at: <https://blogs.cfainstitute.org/investor/2024/03/13/eam-how-and-why-ai-powered-active-management-will-dominate-passive/>. The other papers can be found on Turing's home page (turingta.com).

About Turing Technology (www.turingta.com):

A fintech pioneer, Turing merges AI and machine learning to access unparalleled mutual fund intelligence, while redefining how investment strategies are built and delivered. The breakthrough Hercules.ai fund replication technology has been operational since 2016, and its database currently houses the replicated daily holdings and weights from 95% of the actively managed universe (more than \$4 trillion in fund assets). Turing's lead offering is Ensemble Active Management, which is poised to transform active investment management.

Turing is not an investment management or advice firm. It is a technology company that licenses its technology and Intellectual Property to financial and investment firms to allow them to create and deliver superior investment solutions.

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