Newfound Research embraces a risk-first approach to investing.

Our philosophy lies at the intersection of quantitative and behavioral finance.

Our process is research-driven, systematically managed, and thoughtfully designed.
Quantitative asset management firm with a focus on risk-managed, tactical asset allocation strategies.

We believe in systematic, disciplined, and repeatable decision-making powered by evidence-based insights of consistent and thoughtful research.

Founded in August 2008. Privately held and owned by Principals. Headquartered in Boston, MA.

**Brief History**

- Began delivering tactical investment research signals to first clients in September 2008.
- Began offering directly managed investment strategies in December 2013.
- Our research has been utilized to help drive investment decisions for in excess of $10 billion.
Leadership Team

Tom Rosedale
Chief Executive Officer
Chief Compliance Officer

- Prior to Newfound, Tom formed a Boston-based corporate law firm focused on SEC compliance for public and private offerings, venture capital financing, M&A transactions, and general corporate law matters.
- BS Finance, Bryant University
- JD, Boston University School of Law

Corey Hoffstein
Chief Investment Officer

- Frequent speaker on industry panels. Contributor to ETF.com, ETF Trends, and Forbes Great Speculations blog.
- Named ETF All Star in 2014 by ETF Report.
- MS Computational Finance, Carnegie Mellon University
- BS Computer Science, Cornell University

Justin Sibears
Managing Director
Portfolio Manager

- Frequent speaker on industry panels and contributor to ETF Trends.
- Prior to joining Newfound, structured and traded derivatives at J.P. Morgan and Deutsche Bank.
- MS Computational Finance, Carnegie Mellon University
- MBA, Carnegie Mellon University
- BS Finance and Mathematics, Notre Dame University
Thought Leadership

Audiences across the globe regularly utilize our data-driven investment research to help make portfolio management decisions within institutional mandates.

Readership stats

- ~50 publications per year
- ~3500+ subscribers
- ~250k+ article views in 2017
- Channels represented:
  - Pensions
  - Insurance Companies
  - Superannuation Funds
  - Family Offices
  - Wealth Advisory
What Differentiates Us: Our Beliefs

Inside the black box of our quantitative strategies
Our first focus is on risk.

We know investors care deeply about protecting the capital they have worked hard to accumulate.

And as investors approach and enter retirement, managing “sequence risk” becomes even more important.

We seek to improve risk-adjusted returns by prioritizing downside risk ("drawdown") management.
We believe in quantitatively-driven investment approaches, powered by the evidence-based insights of consistent, thoughtful research.

We focus on the application of “style premia” – factors like value, momentum, carry, defensive, and trend – in tactical asset allocation.

We believe process consistency is paramount for long-term investment success and is best achieved through systematic approaches which help mitigate the behavioral biases that often lead to poor investment decisions.

“We adhere to a philosophy of quantitative integrity, whereby an idea must not only be supported by empirical data, but it must also be grounded in sound theory.”
Investing shouldn’t be complicated, but that doesn’t mean it is easy. Emotional decisions can derail even the best laid investment plan. Therefore, we believe the optimal investment plan is, first and foremost, the one we can stick with.

We know investors care deeply about protecting the capital they have worked hard to accumulate, so we seek to improve risk-adjusted returns by prioritizing downside risk (drawdown) management.

“In the real world, short-term emotional decisions can threaten even the best-scripted financial plan. We believe that managing anxiety is paramount for long-term investment success.”
“Risk cannot be destroyed, only transformed”

We view every choice in investment management as a trade-off of one type of risk for another. In absence of a crystal ball, we believe the prudent choice is to diversify the risks we are exposed to.

“No pain, no premium”

If it were easy, everybody would do it. That’s why we believe that for any strategy to have an edge, it has to underperform from time to time. In fact, it has to be painful enough for weak hands to fold. We call it the “frustrating law of active management.”

“Hubris sells, humility survives”

An evidence-based approach to investing inherently relies on the results of statistical analysis. With statistics, there is always a probability that results are due to randomness alone. As such, we believe that skepticism and humility are prudent.

“The journey matters just as much as the destination”

The optimal investment portfolio is, first and foremost, the one an investor can stick with. For alpha to be achievable, not only must the edge be sustainable, but the investor must be able to sustain the journey.
What We Do: *Risk-First* Tactical Asset Allocation

*Inside the black box of our quantitative strategies*
Tactical Asset Allocation

Opportunistically adapt and rotate portfolio exposures away from areas of perceived weakness.
The Pillars of our Process

Research-Driven
We embrace an evidence-based approach to investment management, relying on investment insights that we believe are robust, persistent, pervasive, investable, and are grounded in sound economic theory.

Systematically Managed
We believe in using a systematic, rules-based, and disciplined approach to ensure consistency in process and help eliminate the cognitive biases that, when repeated over time, can compound and create negative investment results.

Thoughtfully Designed
At Newfound, we believe that portfolio construction has two separate and distinct elements: the investment signals we generate and the rules that compose these signals into portfolio allocations.

While most quantitative research focuses only on the trading signals, by utilizing a bifurcated framework we ensure that our research is balanced, recognizing that the rules are often where a portfolio’s objective is defined and prudent risk management techniques are applied.
<table>
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<tr>
<th>The Elements of Our Process</th>
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<tr>
<td><strong>Value</strong></td>
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<td><strong>Defensive</strong></td>
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<td><strong>Trend</strong></td>
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**Broad Strategy Mandates**

**Objective**

**Equity Trend**
- Seek to participate in equity market growth and avoid significant and prolonged drawdowns.

**Multi-Asset**
- Seek to provide diversified global market exposure and avoid significant and prolonged drawdowns.

**Fixed Income**
- Seek to provide dynamic, risk-managed exposure to global fixed income markets.
# Accessing Newfound

## Separately Managed Accounts
- Managed accounts are available through Schwab and Fidelity
- Available on most major TAMP and UMA platforms
- Model delivery is available to qualifying institutions

## Open-End Funds
- Select Newfound strategies are made available in open-end fund format
- See www.thinknewfoundfunds.com

## Custom Index Solutions
- Custom tailored solutions are available to institutional clients.
Further information about Newfound Research and important disclosures.
Thought Leadership

We contribute to industry and national outlets, including:

- ETF.com
- ETF Trends
- Forbes (Great Speculations)
- The Wall Street Journal (Experts Corner)

Our research and insights have been featured in:

- Morningstar Magazine
- Barron’s
- FA Magazine
- S&P Dow Jones Indexology
- CNBC
- Investor’s Business Daily
In recognition of our thought leadership and forward-thinking investment solutions, Newfound was awarded ETF.com’s 2016 ETF Strategist of the Year and was named as a 2017 Finalist.

ETF.com is an unbiased, third-party organization which specializes in providing resources on Exchange Traded Funds. ETF.com Award winners are selected in a three-part process. The process begins with open nominations where interested parties were invited to submit nominations. Self-nominations were accepted. Then the ETF.com Awards Nominating Committee – made up of senior leaders at ETF.com and senior members of the FactSet ETF Analytics team – selected up to five finalists in each category. The winners are selected from these finalists by a majority vote of the ETF.com Awards Selection Committee, which is a group of independent ETF experts. ETF.com is not affiliated with Newfound Research. Ratings and awards may not be representative of any one client’s experience and are not indicative of Newfound Research’s future performance.
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Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.

To receive a list of composite descriptions of Newfound Research and/or a presentation that complies with the GIPS standards, contact Justin Sibears at (617) 531-9773, or write to info@thinknewfound.com.
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The investment strategies and themes discussed herein may be unsuitable for investors depending on their specific investment objectives and financial situation.

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