

# Merit Capital

Strategies & Tech

## Strategy Analytics Daily Report

21/08/22

### Products

#### Growth Portfolio

Aggressive portfolio of growth equities. Aims to outperform market during good times at the cost of additional volatility.

#### Defensive Portfolio

Conservative portfolio of highly-liquid equities. Aims to outperform the market during times of high volatility.

#### Uncorrelated

Uncorrelated strategy that combines human insights with machine intelligence.

\*In Alpha\*

#### Risk Management

Built on proprietary portfolio framework.

Real-Time Anomaly Detection

Fully Automated

Human Conviction

Automated bet sizing through (Kelly, etc)

Automated Execution

Hedges & Option Combos

Rebalanced Weekly

Optimized Allocation

Long & Short Exposure

Futures & Commodities

Automated Kill Switches (KLD)

Market

Market	MTD	YTD
SPX	-1.76%	-14.86%
NDX	-2.53%	-22.68%
DJI	-1.71%	-11.15%

Fund

Fund	MTD	YTD
Defensive	-0.76%	-3.49%
Growth	-0.07%	0.0%
Supertrend	+5.45%	+5.45%
Discretionary	+0.39%	-7.52%
Aggregate	+0.11%	-2.43%

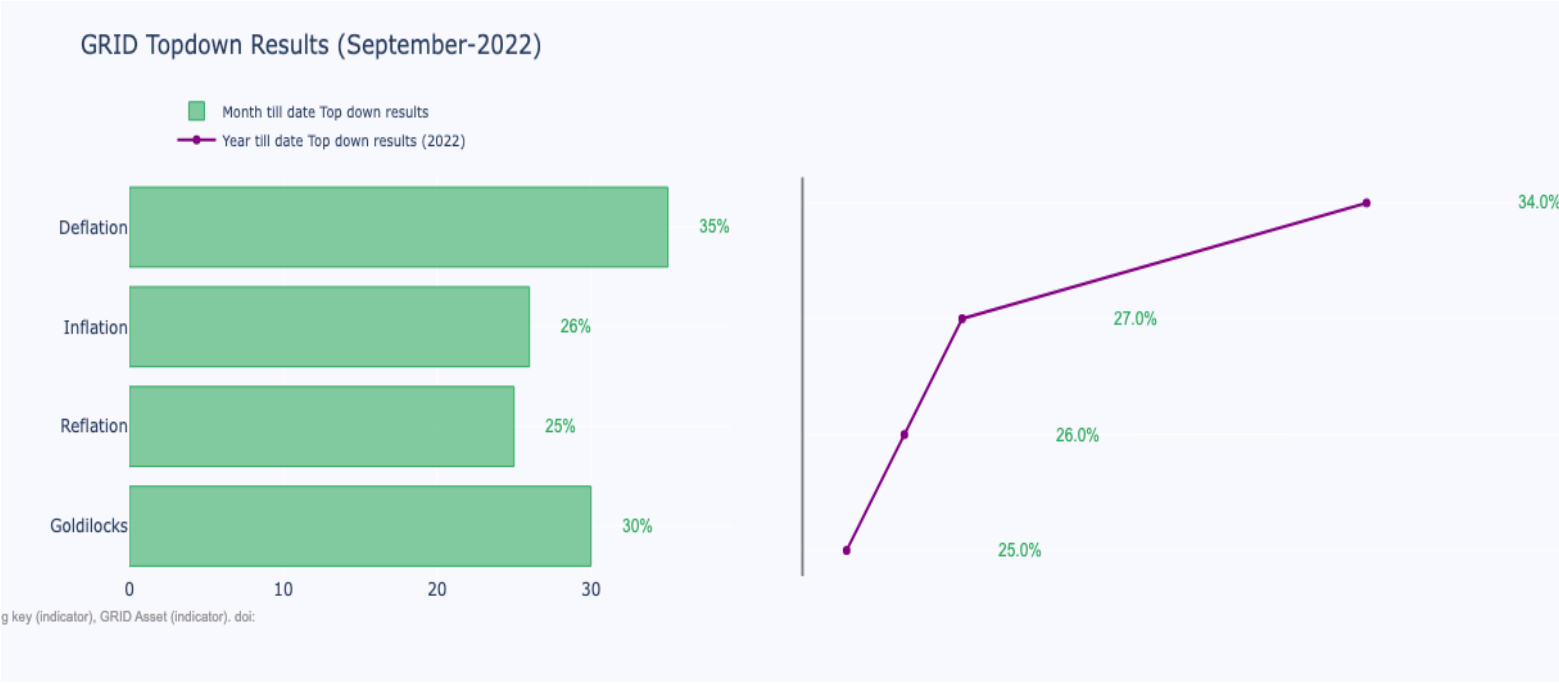
Description of Strategies (September-2022)

Strategy	DESCRIPTION
Defensive	Lorem ipsum dolor sit amet, tollit discere inermis pri ut. Eos ea iusto timeam, an prima laboramus vim.
Growth	Lorem ipsum dolor sit amet, tollit discere inermis pri ut. Eos ea iusto timeam, an prima laboramus vim.
Supertrend	Lorem ipsum dolor sit amet, tollit discere inermis pri ut. Eos ea iusto timeam, an prima laboramus vim.
Discretion	Lorem ipsum dolor sit amet, tollit discere inermis pri ut.
Aggregate	Lorem ipsum dolor sit amet, tollit discere inermis pri ut.

Quaterly Fund Report for 2022

Fund	Q1	Q2	Q3	Q4
Defensive	2.2%	1.2%	2.6%	-
Growth	5.5%	4.5%	0.5%	-
Supertrend	7.7%	7.7%	7.7%	-
Discretionary	9.8%	6.8%	3.5%	-
Aggregate	-0.27	-4.67	-0.07	-

# Top\_down Results



# Bottom\_up Results

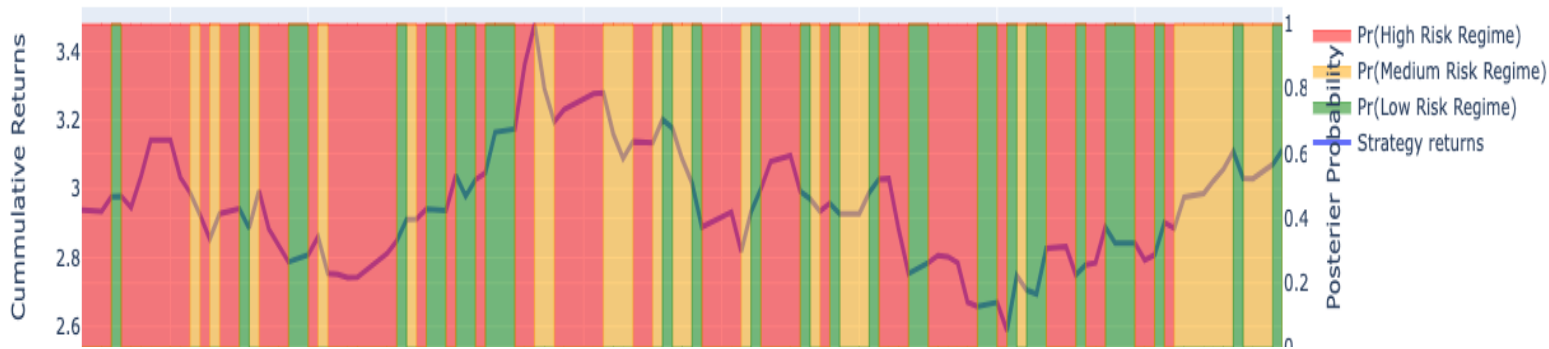
GRID Bottom\_up Results (September-2022)

	Current_September	Forecast_October	Forecast_November	Forecast_December	Forecast_January
Deflation	29%	24%	15%	18%	14%
Inflation	27%	26%	23%	11%	13%
Reflation	24%	31%	19%	15%	11%
Goldilocks	21%	30%	21%	16%	12%

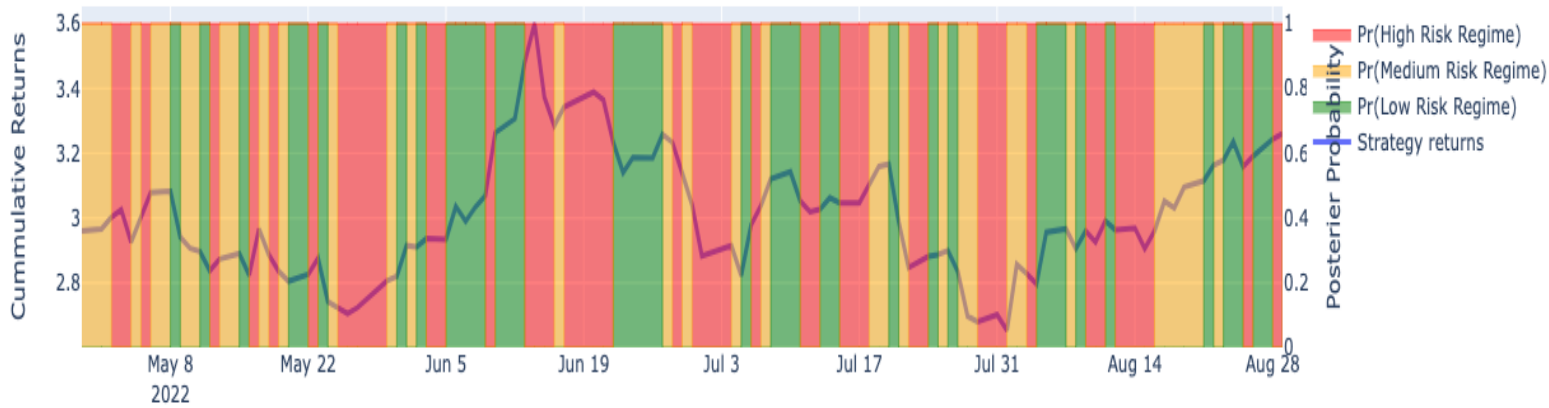
## Risk Model Results

Fund	Risk Model Results
Defensive	76%
Growth	25%
Supertrend	49%
Discretionary	31%
Aggregate	22%

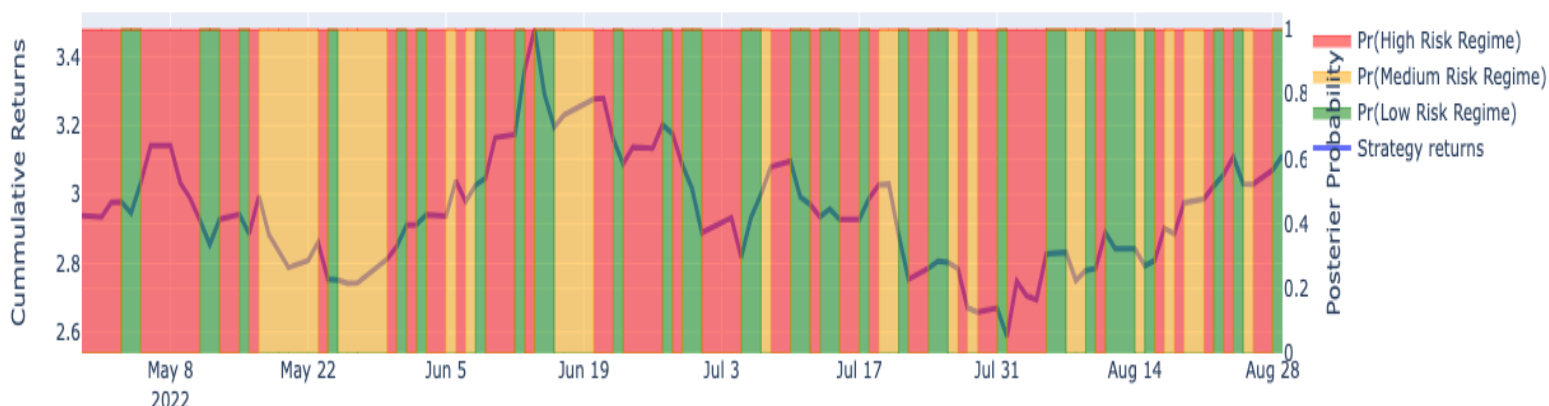
Risk Model Regime - Supertrend Strategy Risk



Risk Model Regime - Evergreen growth Strategy Risk



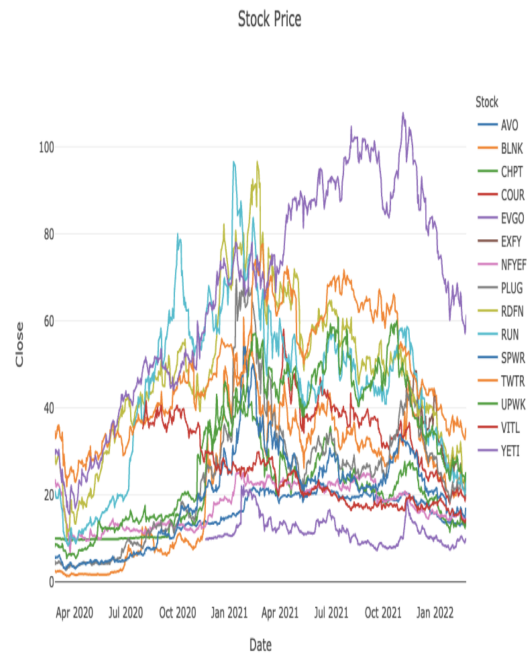
Risk Model Regime - Evergreen Defensive Strategy Risk



# Evergreen Returns vs Index



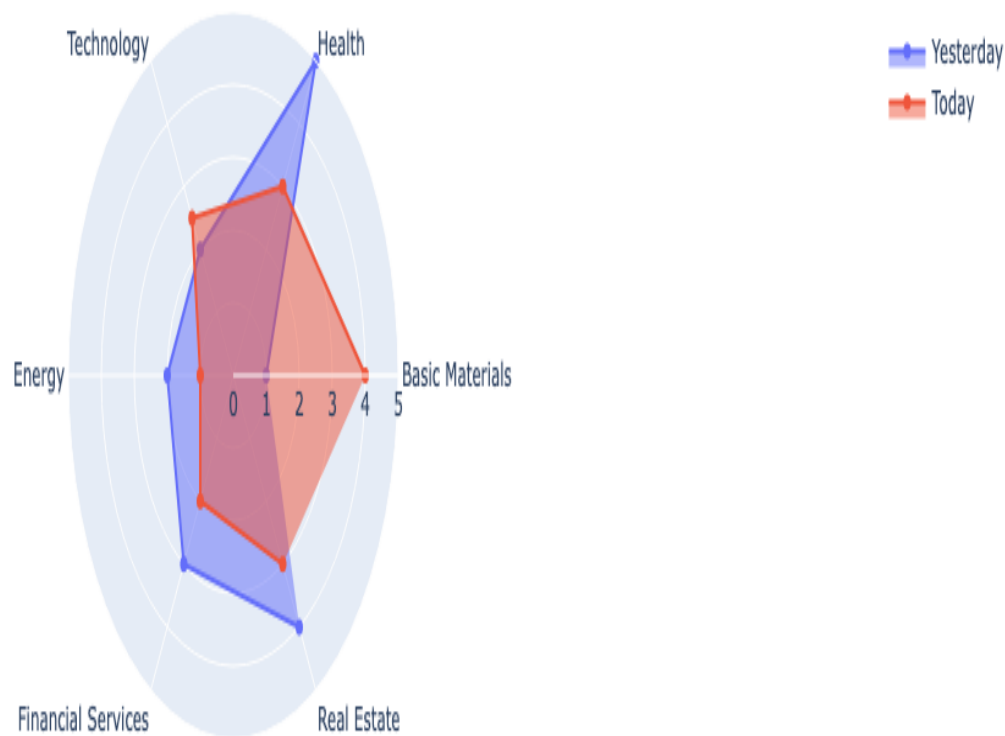
# Portfolio stocks history



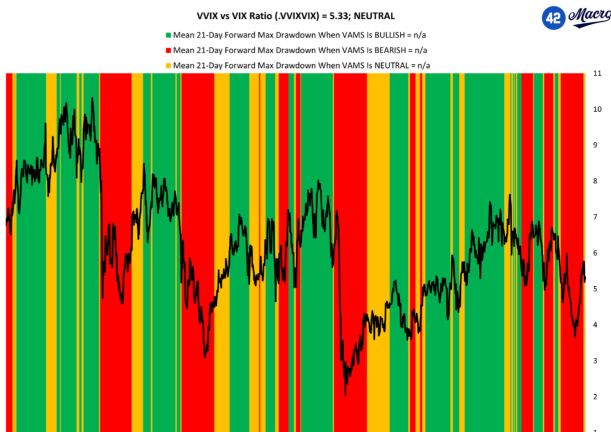
Plotting two years of history for 15 stocks (Image by Author)

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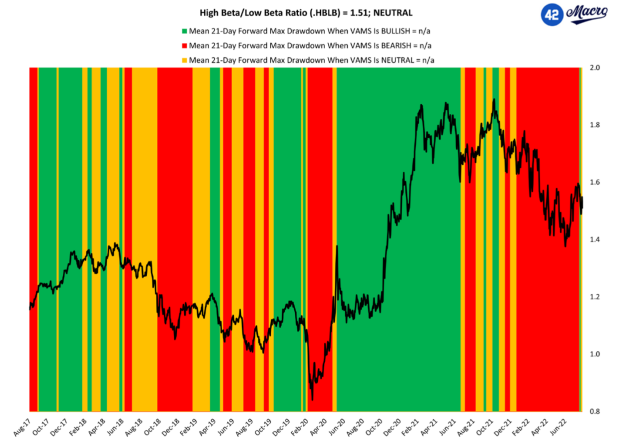
# Sectors Correlation with Evergreen Defensive (September-2022)



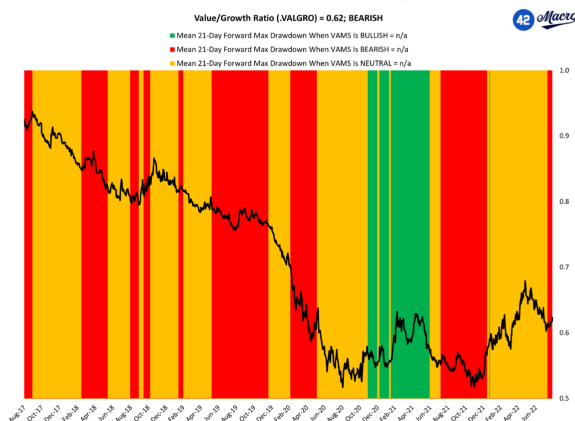
## Four Horsemen of Market Risk: **VVIX/VIX Ratio**



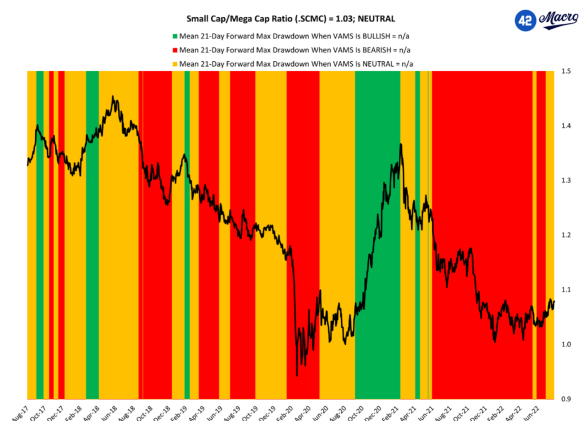
## Four Horsemen of Market Risk: **High Beta/Low Beta Ratio**



## Four Horsemen of Market Risk: **Value/Growth Ratio**



## Four Horsemen of Market Risk: **Small Cap/Mega Cap Ratio**

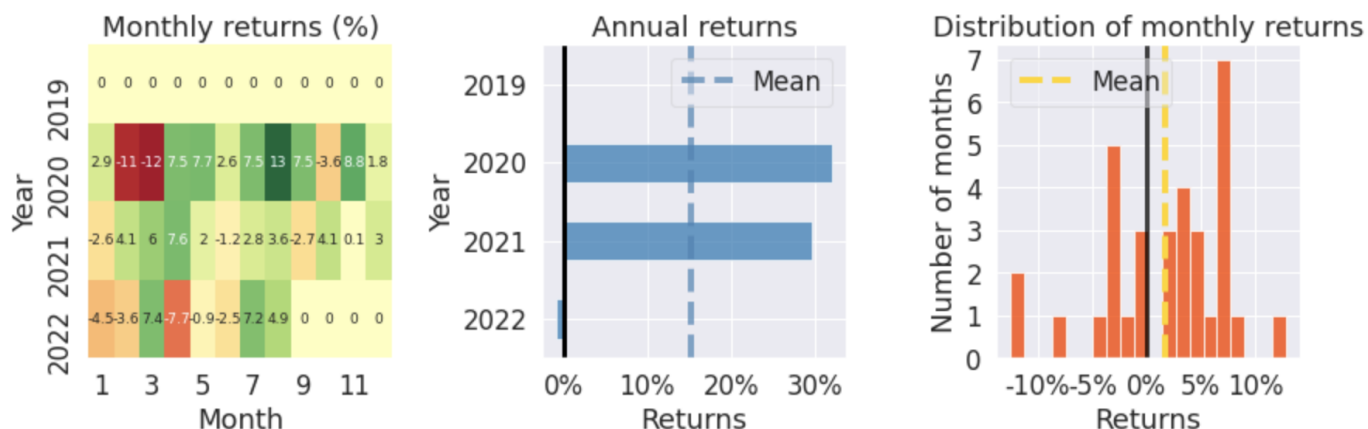


## Daily Market Sentiment



## Sentiment Score





## Dominant Market Regime

We view the 2000-02, 2011, and 2018 analogs as relevant to the current setup.

