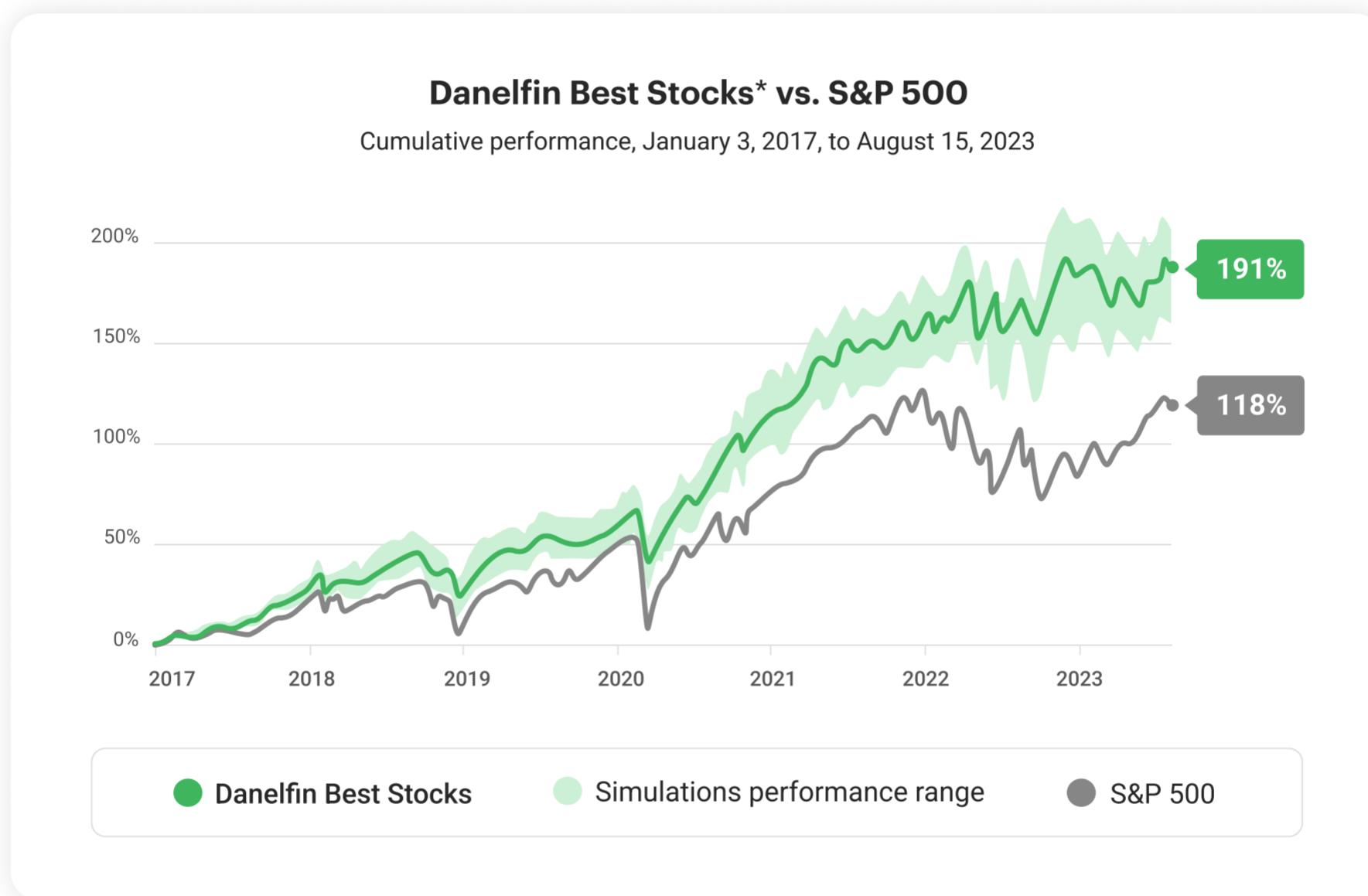


Danelfin Best Stocks Performance

We built an investment strategy for US-listed stocks, using the Danelfin AI Score to demonstrate the predictive power of our Artificial Intelligence.

We backtested the strategy using Monte Carlo simulations from January 3, 2017, to August 15, 2023. The goal was to test whether this investment strategy could withstand small changes in the financial markets and our models' predictions.



***Danelfin Best Stocks:** Equally-weighted US-listed stocks portfolio, with the top 6 stocks (highest AI Score, prioritizing the ones with a Buy Track Record, and Low Risk score 6/10 or above) from the top 5 sectors (highest AI Score). The portfolio was rebalanced every 3 months to include only stocks that met the defined criteria. The portfolio was also rebalanced every 12 months to keep it equally weighted. The light green area shows the performance range of the 10 different strategy simulations. Performance based on backtested results. Backtested performance is not an indicator of actual future results.

Performance from January 3, 2017, to August 15, 2023, including 0.15% costs per transaction.

Danelfin Best Stocks Yearly Average Metrics*

Yearly Average	2017	2018	2019	2020	2021	2022	2023*
Danelfin Best Stocks Performance	+29.52%	-1.20%	+26.25%	+41.75%	+18.59%	+8.01%	+1.99%
S&P 500 Performance	+21.70%	-4.56%	+31.22%	+18.37%	+28.74%	-18.17%	+14.95%
Alpha	+7.82%	+3.36%	-4.97%	+23.37%	-10.15%	+26.18%	-12.96%
Alpha Jensen	+18.98%	+3.80%	+4.83%	+31.44%	-6.15%	+21.75%	-9.74%
Beta	0.49	1.10	0.69	0.56	0.86	0.76	0.78

*Partial 2023 data, up to August 15. In order to update the strategy, it was necessary to rerun all backtested simulations from the beginning of the investment period. As a result, there may be variations in some years' data when compared to the previous version of the strategy.

How does the investment strategy work?

To test the Danelfin Best Stocks investing strategy for US-listed stocks, we built a 30-stock equally-weighted portfolio with the top 6 stocks (highest AI Score, prioritizing the ones with a Buy Track Record, and Low Risk score 6/10 or above) from the top 5 sectors (highest AI Score), as of January 3, 2017.

Then, we ran backtested simulations, rebalancing the portfolio every 3 months to include only stocks that met the defined criteria. If a stock did not meet the defined criteria, it was sold and replaced with a stock that met the defined criteria.

Furthermore, the portfolio was rebalanced every 12 months to keep the portfolio equally weighted.

How was the strategy tested?

The Monte Carlo simulation is a method that uses probabilities to estimate the possible outcomes of uncertain events. In this case, we used Monte Carlo simulations to test whether the investment strategy could withstand small changes in the financial markets and our models' predictions.

Our AI considered all the stock trades that would have been made in the past to apply the strategy rules, and then made random changes to those trades to create 10 different portfolios. Instead of always selecting the top 6 stocks from the top 5 sectors, our AI randomly picked 6 stocks every 3 months from the top 10 stocks in those sectors, based on their AI Score (highest AI Score, prioritizing the ones with a Buy Track Record, and Low Risk score 6/10 or above).

By doing this, our AI created 10 different investment portfolios, each with its own unique outcomes. The expected performance of our strategy is calculated as the average performance of these 10 simulations.

Danelfin Best Stocks Technical Metrics

10 Monte Carlo Simulations

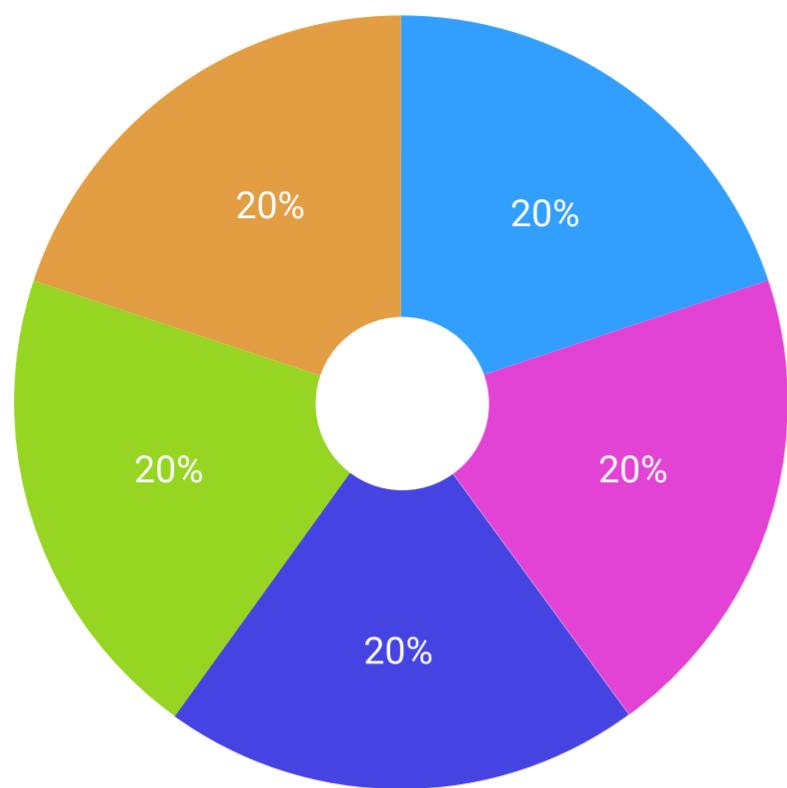
	1	2	3	4	5	6	7	8	9	10	Average
Danelfin Best Stocks Cumulative Performance	165.15%	167.82%	183.31%	198.01%	213.77%	199.18%	195.13%	212.02%	194.35%	183.16%	191.19%
S&P 500 Cumulative Performance	118.49%	118.49%	118.49%	118.49%	118.49%	118.49%	118.49%	118.49%	118.49%	118.49%	118.49%
Danelfin Best Stocks Performance (annualized)	16.87%	16.95%	17.91%	18.81%	19.71%	18.87%	18.68%	19.61%	18.54%	17.97%	18.39%
S&P 500 Performance (annualized)	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
S&P 500 Drawdown	-56.80%	-56.80%	-56.80%	-56.80%	-56.80%	-56.80%	-56.80%	-56.80%	-56.80%	-56.80%	-56.80%
Danelfin Best Stocks Strategy Drawdown	-42.10%	-35.04%	-36.01%	-36.98%	-33.60%	-37.24%	-38.29%	-37.62%	-35.40%	-35.81%	-36.81%
Alpha (daily)	0.01%	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.01%	0.02%
Alpha (annualized)	6.43%	7.12%	7.83%	8.86%	9.84%	8.88%	8.59%	9.48%	8.64%	7.77%	8.34%
Alpha (monthly)	0.54%	0.59%	0.65%	0.74%	0.82%	0.74%	0.72%	0.79%	0.72%	0.65%	0.70%
Beta	0.70	0.66	0.67	0.65	0.63	0.65	0.66	0.65	0.64	0.67	0.66
Standard Deviation (daily)	0.73%	0.69%	0.70%	0.69%	0.68%	0.68%	0.69%	0.69%	0.69%	0.70%	0.70%
Standard Deviation (monthly)	4.06%	3.88%	3.84%	3.84%	3.80%	3.82%	3.92%	3.80%	3.75%	3.97%	3.87%
Standard Deviation (negative performances)	0.48%	0.46%	0.46%	0.45%	0.44%	0.45%	0.46%	0.45%	0.45%	0.46%	0.46%
Sharpe	0.69	0.73	0.76	0.81	0.85	0.82	0.80	0.84	0.80	0.76	0.79
Sortino	1.05	1.11	1.16	1.24	1.32	1.25	1.22	1.28	1.22	1.15	1.20
Value at Risk (VaR)	-1.29%	-1.26%	-1.26%	-1.25%	-1.25%	-1.25%	-1.26%	-1.25%	-1.25%	-1.26%	-1.26%
Tracking Error	2.65%	2.81%	2.67%	2.85%	2.94%	2.80%	2.85%	2.75%	2.72%	2.78%	2.78%
Number of Transactions	429	513	515	515	521	503	514	498	511	505	502

Danelfin Best Stocks Initial Portfolio (January 3, 2017)

Of the 10 portfolios built by the Monte Carlo simulations, this portfolio had the closest performance to the average performance of the 10 simulations.

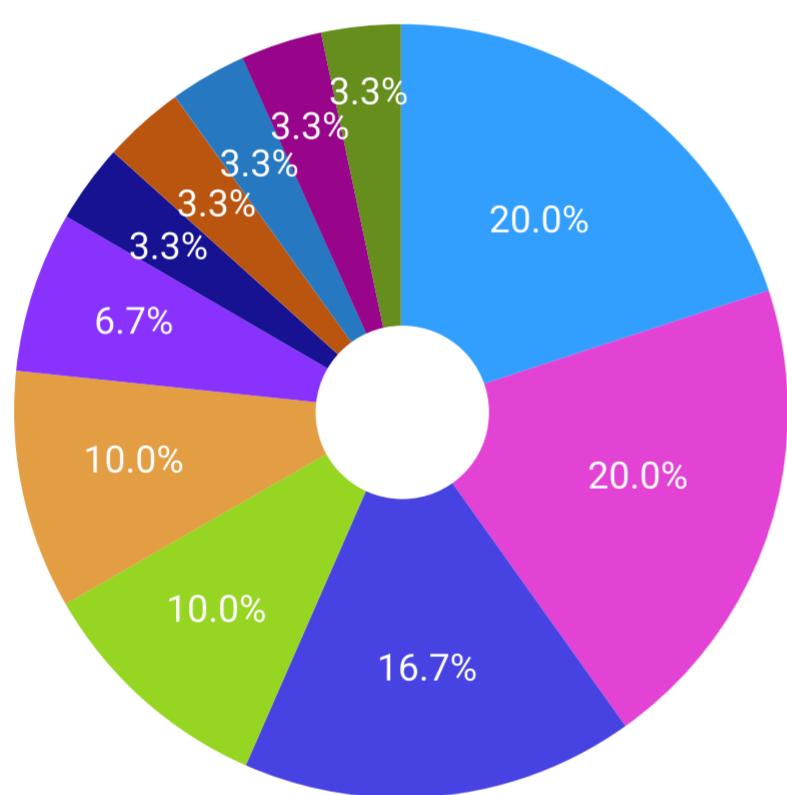
Ticker	Weight	Company	Sector (GICS)	Industry (GICS)
FLO	3.33%	Flowers Foods	Consumer Staples	Food Products
HRL	3.33%	Hormel Foods Corporation	Consumer Staples	Food Products
TSN	3.33%	Tyson Foods	Consumer Staples	Food Products
MKC	3.33%	McCormick & Company	Consumer Staples	Food Products
VGR	3.33%	Vector Group	Consumer Staples	Tobacco
RMCF	3.33%	Rocky Mountain Chocolate Factory	Consumer Staples	Food Products
CTRA	3.33%	Coterra Energy	Energy	Oil, Gas & Consumable Fuels
MMP	3.33%	Magellan Midstream Partners	Energy	Oil, Gas & Consumable Fuels
DMLP	3.33%	Dorchester Minerals	Energy	Oil, Gas & Consumable Fuels
CAPL	3.33%	CrossAmerica Partners	Energy	Oil, Gas & Consumable Fuels
MPLX	3.33%	MPLX	Energy	Oil, Gas & Consumable Fuels
WES	3.33%	Western Midstream Partners	Energy	Oil, Gas & Consumable Fuels
NATI	3.33%	National Instruments Corporation	Information Technology	Electronic Equipment, Instruments & Components
AAPL	3.33%	Apple	Information Technology	Technology Hardware, Storage & Peripherals
BLKB	3.33%	Blackbaud	Information Technology	Software
TTEC	3.33%	TTEC Holdings	Information Technology	IT Services
FTNT	3.33%	Fortinet	Information Technology	Software
VRNT	3.33%	Verint Systems	Information Technology	Software
FUL	3.33%	H.B. Fuller Company	Materials	Chemicals
SON	3.33%	Sonoco Products Company	Materials	Containers & Packaging
OI	3.33%	O-I Glass	Materials	Containers & Packaging
AVNT	3.33%	Avient Corporation	Materials	Chemicals
ATR	3.33%	AptarGroup	Materials	Containers & Packaging
LPX	3.33%	Louisiana-Pacific Corporation	Materials	Paper & Forest Products
PDM	3.33%	Piedmont Office Realty Trust	Real Estate	Equity Real Estate Investment Trusts (REITs)
EDR	3.33%	Endeavor Group Holdings	Real Estate	Equity Real Estate Investment Trusts (REITs)
BDN	3.33%	Brandywine Realty Trust	Real Estate	Equity Real Estate Investment Trusts (REITs)
CLDT	3.33%	Chatham Lodging Trust	Real Estate	Equity Real Estate Investment Trusts (REITs)
ROIC	3.33%	Retail Opportunity Investments	Real Estate	Equity Real Estate Investment Trusts (REITs)
HT	3.33%	Hersha Hospitality Trust	Real Estate	Equity Real Estate Investment Trusts (REITs)

Initial Portfolio Sector Distribution



Sector (GICS)	Weight
Consumer Staples	20.0%
Energy	20.0%
Information Technology	20.0%
Materials	20.0%
Real Estate	20.0%

Initial Portfolio Industry Distribution

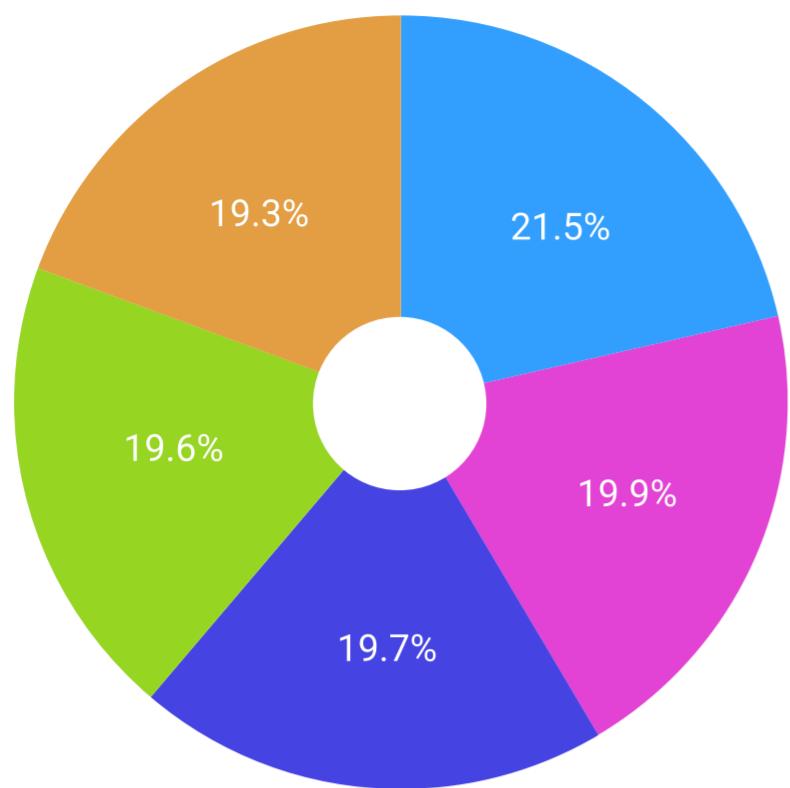


Industry (GICS)	Weight
Equity Real Estate Investment Trusts (REITs)	20.0%
Oil, Gas & Consumable Fuels	20.0%
Food Products	16.7%
Containers & Packaging	10.0%
Software	10.0%
Chemicals	6.7%
Electronic Equipment, Instruments & Components	3,3%
IT Services	3,3%
Paper & Forest Products	3,3%
Technology Hardware, Storage & Peripherals	3,3%
Tobacco	3,3%

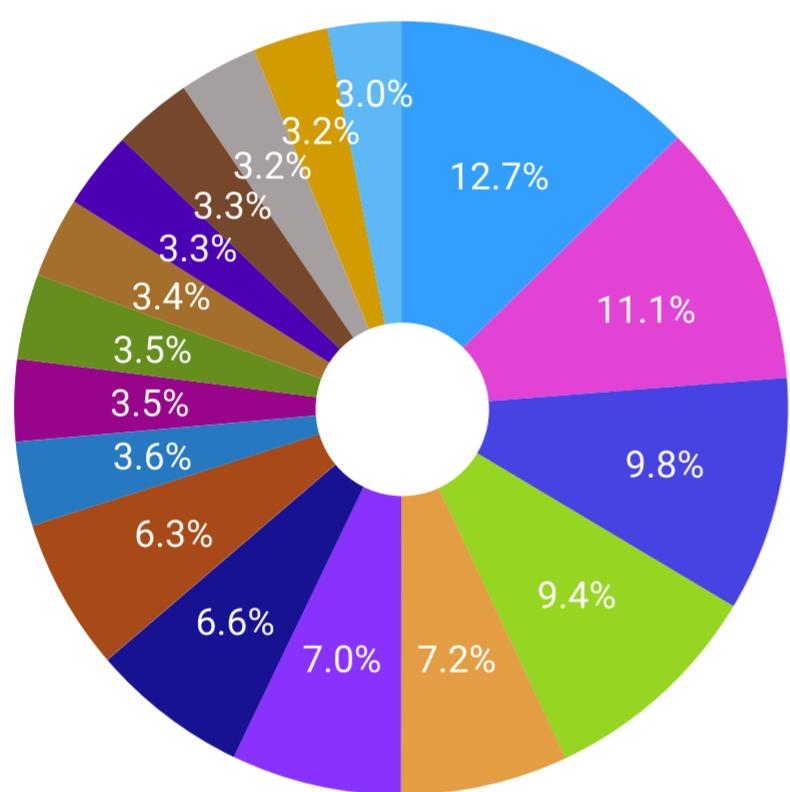
Danelfin Best Stocks Final Portfolio (August 15, 2023)

Ticker	Weight	Company	Sector (GICS)	Industry (GICS)
INCY	4,07%	Incyte Corporation	Health Care	Biotechnology
BIIB	3,68%	Biogen	Health Care	Biotechnology
HXL	3,66%	Hexcel Corporation	Industrials	Aerospace & Defense
ELV	3,62%	Elevance Health	Health Care	Health Care Providers & Services
VZ	3,59%	Verizon Communications	Communication Services	Diversified Telecommunication Services
BMI	3,54%	Badger Meter	Information Technology	Electronic Equipment, Instruments & Components
ENSG	3,54%	The Ensign Group	Health Care	Health Care Providers & Services
GPC	3,46%	Genuine Parts Company	Consumer Discretionary	Distributors
GWW	3,46%	W.W. Grainger	Industrials	Trading Companies & Distributors
FICO	3,44%	Fair Isaac Corporation	Information Technology	Software
STRA	3,43%	Strategic Education	Consumer Discretionary	Diversified Consumer Services
BATRA	3,38%	Atlanta Braves Holdings	Communication Services	Entertainment
FWONK	3,36%	Formula One Group	Communication Services	Entertainment
HII	3,36%	Huntington Ingalls Industries	Industrials	Aerospace & Defense
CMG	3,33%	Chipotle Mexican Grill	Consumer Discretionary	Hotels, Restaurants & Leisure
UTHR	3,30%	United Therapeutics Corporation	Health Care	Biotechnology
BMY	3,30%	Bristol-Myers Squibb Company	Health Care	Pharmaceuticals
AZO	3,29%	AutoZone	Consumer Discretionary	Specialty Retail
BBSI	3,23%	Barrett Business Services	Industrials	Professional Services
NYT	3,22%	The New York Times Company	Communication Services	Media
ENV	3,21%	Envestnet	Information Technology	Software
CDNS	3,16%	Cadence Design Systems	Information Technology	Software
CWST	3,15%	Casella Waste Systems	Industrials	Commercial Services & Supplies
NXST	3,12%	Nexstar Media Group	Communication Services	Media
CHDN	3,08%	Churchill Downs	Consumer Discretionary	Hotels, Restaurants & Leisure
IPGP	3,04%	IPG Photonics Corporation	Information Technology	Electronic Equipment, Instruments & Components
ALG	3,04%	Alamo Group	Industrials	Machinery
RCI	3,01%	Rogers Communications	Communication Services	Wireless Telecommunication Services
BKNG	3,00%	Booking Holdings	Consumer Discretionary	Hotels, Restaurants & Leisure
SPSC	2,91%	SPS Commerce	Information Technology	Software

Final Portfolio Sector Distribution



Final Portfolio Industry Distribution



How can you apply the Danelfin Best Stocks strategy?

- Identify the top 5 sectors in our [sectors ranking](#), fully visible only for [Plus and Pro](#) users.

Sectors Ranked by Danelfin AI							
Rank	Sector	AI Score ⓘ	Fundamental	Technical	Sentiment	Low Risk	Perf YTD ▾
1	Consumer Discretionary	7	7	6	7	2	4.25%
2	Materials	6	7	6	6	3	-0.05%
3	Communication Services	6	6	6	6	2	-3.14%
4	🔒 Upgrade to unlock	6	7	6	7	2	7.69%
5	🔒 Upgrade to unlock	6	6	6	7	2	16.64%

- Pick the top 6 stocks from each of those sectors: Stocks with the highest AI Score (prioritizing the ones with a Buy Track Record) and with Low Risk score 6/10 or above. The example below shows the [Consumer Discretionary sector top stocks](#), fully visible only for [Plus and Pro](#) users.

Consumer Discretionary Sector Stocks Ranked by Danelfin AI											
Consumer Discretionary stocks are ranked according to the AI Score, which rates the probability of beating the market in the next 3 months.											
Sector Average Scores: 7 AI Score 7 Fundamental 6 Technical 7 Sentiment 2 Low Risk											
Filter stocks: ⚡ Buy Track Record <input type="checkbox"/> ⚡ Sell Track Record <input type="checkbox"/> All Countries Alpha Signals: ⓘ ▾											
Rank	Company	Country	AI Score ⓘ	Change	Fundamental	Technical	Sentiment	Low Risk	Perf YTD ▾	Industry	+
1	CROX ⚡ Crocs, Inc.	🇺🇸	9	→ 0	8	9	9	1	-18.90%	Consumer Discretionary	+
2	TPR Tapestry, Inc.	🇺🇸	9	→ 0	9	8	9	2	-19.18%	Consumer Discretionary	+
3	DKS ⚡ DICK'S Sporting Goods, Inc.	🇺🇸	9	→ 0	9	9	7	2	-4.84%	Consumer Discretionary	+
4	FIVE ⚡ Five Below, Inc.	🇺🇸	9	→ 0	9	9	8	3	-12.50%	Consumer Discretionary	+
5	ASO ⚡ Academy Sports and Outdoors, Inc.	🇺🇸	9	→ 0	9	9	9	2	-7.33%	Consumer Discretionary	+
6	JACK Jack in the Box Inc.	🇺🇸	9	→ 0	7	9	9	3	7.20%	Consumer Discretionary	+

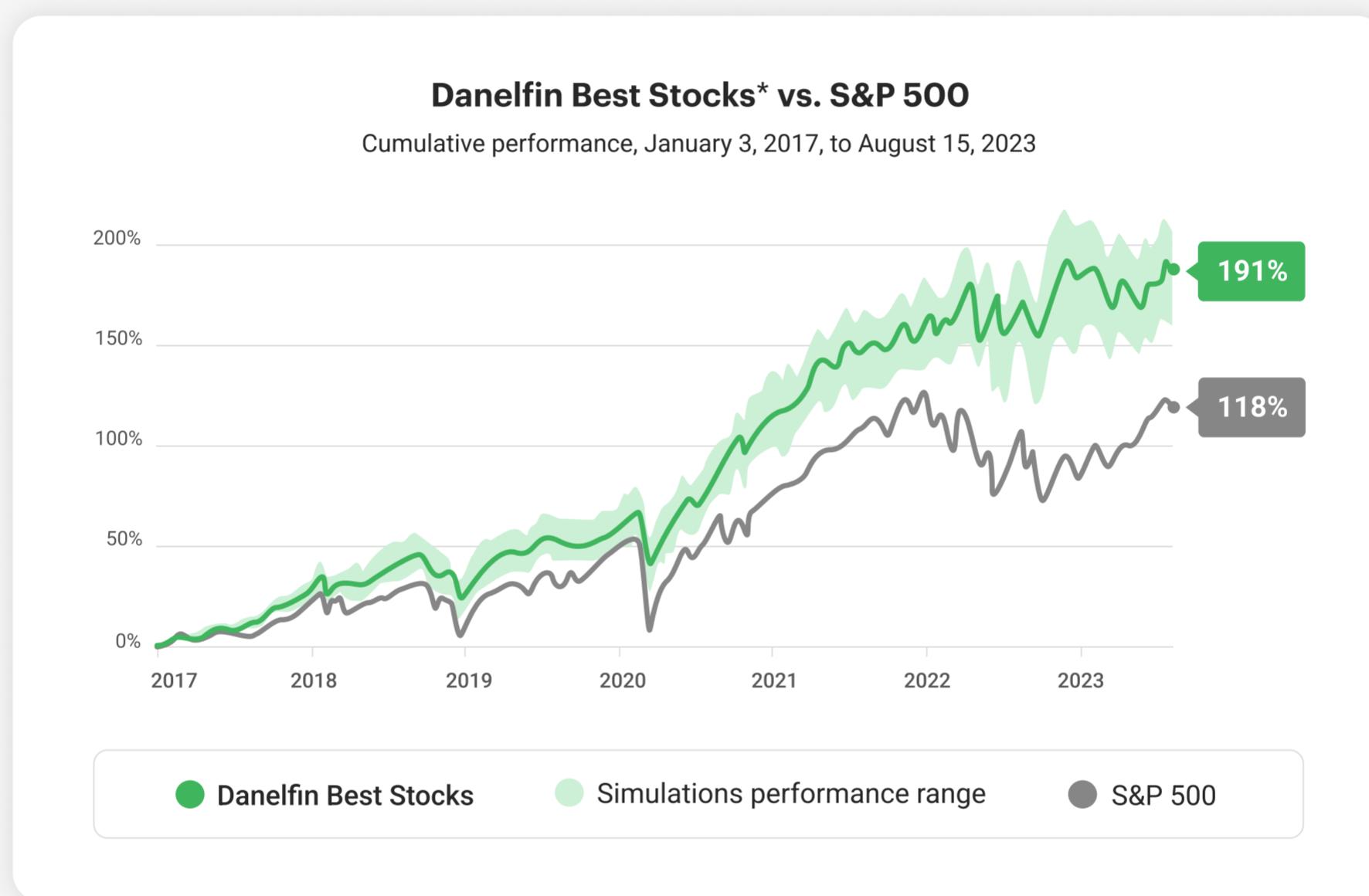
3. Rebalance your portfolio every 3 months to include only US-listed stocks that meet the defined criteria (top 6 stocks with highest AI Score, prioritizing the ones with a Buy Track Record, and Low Risk score 6/10 or above). If a stock does not meet the defined criteria, sell it and replace it with a new stock that meets it.

4. Rebalance the portfolio every 12 months to keep the portfolio equally weighted, ensuring all stocks have the same weight again.

The Danelfin Best Stocks strategy performance is based on backtested results.

Backtested performance is not an indicator of actual future results.

Danelfin: The AI that beats the market



* Performance based on backtested results. Backtested performance is not an indicator of actual future results.

Pick the Best Stocks Now



Danelfin's Artificial Intelligence calculates stocks' probabilities of beating the market based on past market behavior and stocks performance. It does not calculate or predict actual results. The performance of any illustrative portfolios on this site is based on backtested results. Backtested performance is not an indicator of future results. Danelfin's AI Scores, alpha signals, and rankings are meant only for informational purposes. They are not intended to be investment advice or a recommendation to buy or sell any security. Before making any investment decision, you should carefully analyze different information sources and seek appropriate financial advice. Using our site, you accept our [Terms of use](#), [Privacy](#) and [Disclaimer](#) policies.