

Alpha-DNA Investment Management

Oct 9, 2025

“Alternative data and A.I. is the DNA of smarter portfolios.”

FIRM HIGHLIGHTS

AUM & AUA

>\$230 MILLION

AS OF SEP 2025

THIRD PARTY AUDITOR

GIPS COMPLIANT

FORESIDE COMPLIANCE

RESEARCH STOCK UNIVERSE

~3,000 LARGEST

US STOCKS BY MARKET CAP



OUR TEAM



WAYNE FERBERT

- Co-Founder, Alpha DNA IM
- Portfolio Manager



ARUN
MUTHUPALANIAPPAN

- Co-Founder, alpha-dna
- Head of Research



ROD FERTIG

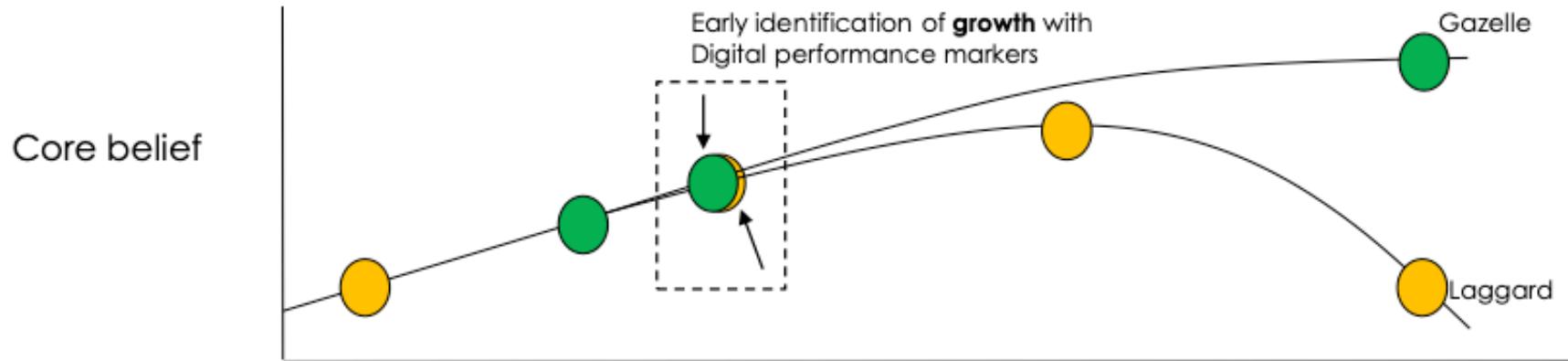
- Co-Founder, alpha-dna
- Data Scientist



JOSHUA CHARTIER

- Associate Portfolio Manager

Digital customer performance of businesses, more often than not, is a leading indicator of future growth



What we do?

Systematically tracking the digital footprint of companies, Alpha-DNA's proprietary algorithms provide a high level of predictive insight into which companies are likely to out-perform their sectoral competition over time – essentially giving investors and lenders the ability to identify likely growth "gazelles" before they emerge – enabling *differential investment and management strategies*.

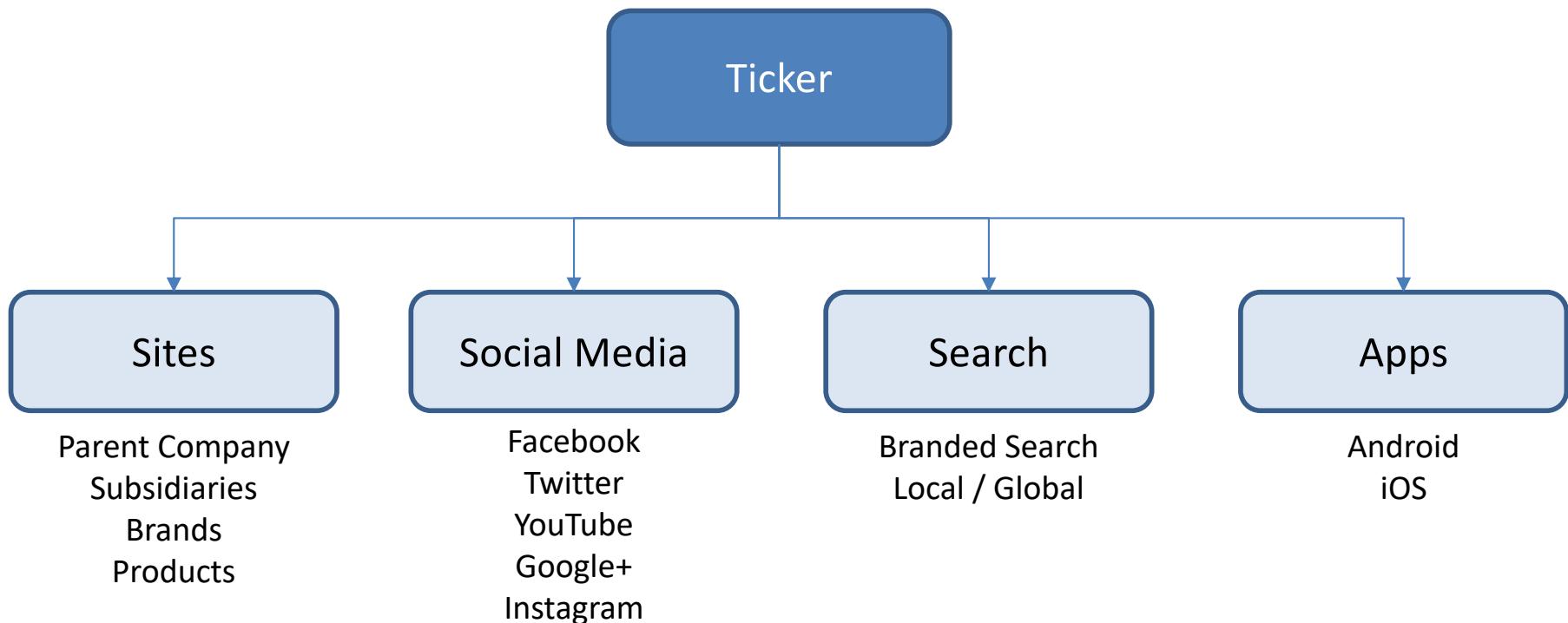
Why it works?

- All else being equal, businesses with stronger digital trajectories will outperform those that are lagging in their digital agenda
- Digital enabled topline (online + offline) performance is indicative of better quality revenue and future cashflow strength
- The market values digitization of a company and it manifests in the form of future stock price increase and higher P/Es

Arbitrage

In our portfolio, stronger digital trajectories, on average, leads to better stock price performance (near-term 30-60-90 days, longer 2-3 year horizon)

For every company in the Russell 3000, we build and maintain a 'map' of all major digital properties associated with that company's brands/products



Sector | Industry Group | Industry | Sub-Industry | Direct Competitors (Peers)

We source data from multiple vendors and build a Digital Bureau that is actionable over time in an ever-changing online marketplace

ILLUSTRATIVE

Websites

Search

Social

Designing and executing a robust
“Poll of Polls” across datasets

Ranking

Audience

Traffic

Eyeballs

Time Spent

Interactions

Interest

Loyalty

 **Alexa**
 **compete**

 **comScore**

 **SimilarWeb**

 **nielsen**

 **quintcast**

 **YouTube**

 **Hitwise**

 **twitter**

 **Experian**

Hitwise

 **sysomos**

 **Google+**

 **TOPSY**

 **facebook**

 **socialmention***

 **ATTENsITY**

 **crimson hexagon**
Know More. Know Why. Know How.

 **hootsuite**

 **Instagram**

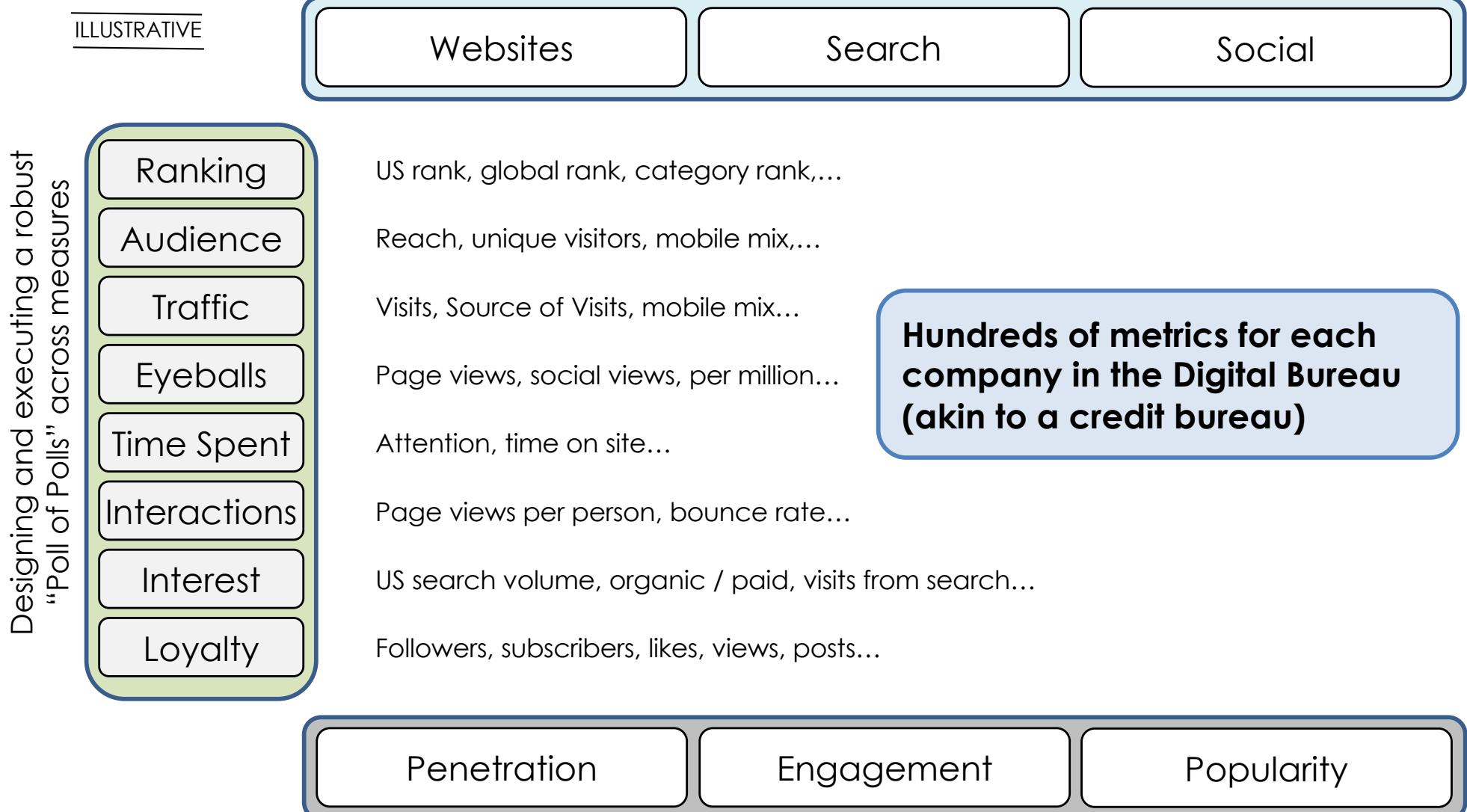
 **TrackMaven**

Penetration

Engagement

Popularity

Digital Data: Predicting customer demand, especially sharp changes in Revenue, requires organizing breadth of digital metrics across multiple platforms; more so than depth in just a single source



Digital strength: We have built analytic vectors that hone in on markers of strong, sustainable future Revenue growth and customer performance

Digital Strength Components



Size of a company's digital presence

Magnitude measures the volume of digital customer interactions for a business across the broad online landscape. It aggregates a diverse set of metrics across platforms (site, search, social, apps) and effectiveness dimensions (penetration, engagement, popularity). Bigger businesses with larger customer files should score high on Magnitude.

Share of digital relative to share of total (offline+ online) revenue

Share contextualizes the volume of digital customer interactions relative to the overall size of a business, its customer base and total revenues (online and offline channel revenues aggregated). High growth companies tend to score better on this Share measure since digital interactions often reflects underlying growth dynamics in the customer base and points to market share gains in the near future.

Sequential digital acceleration

Momentum captures the strength of the incoming trend in digital customer interactions for a business in recent times. A range of velocity measures are considered to represent Momentum, i.e., month-over-month, quarter-over-quarter, year-over-year change in order to de-seasonalize the data across categories and tease out true changes in acceleration. Businesses experiencing customer acquisition spurts score high on Momentum.

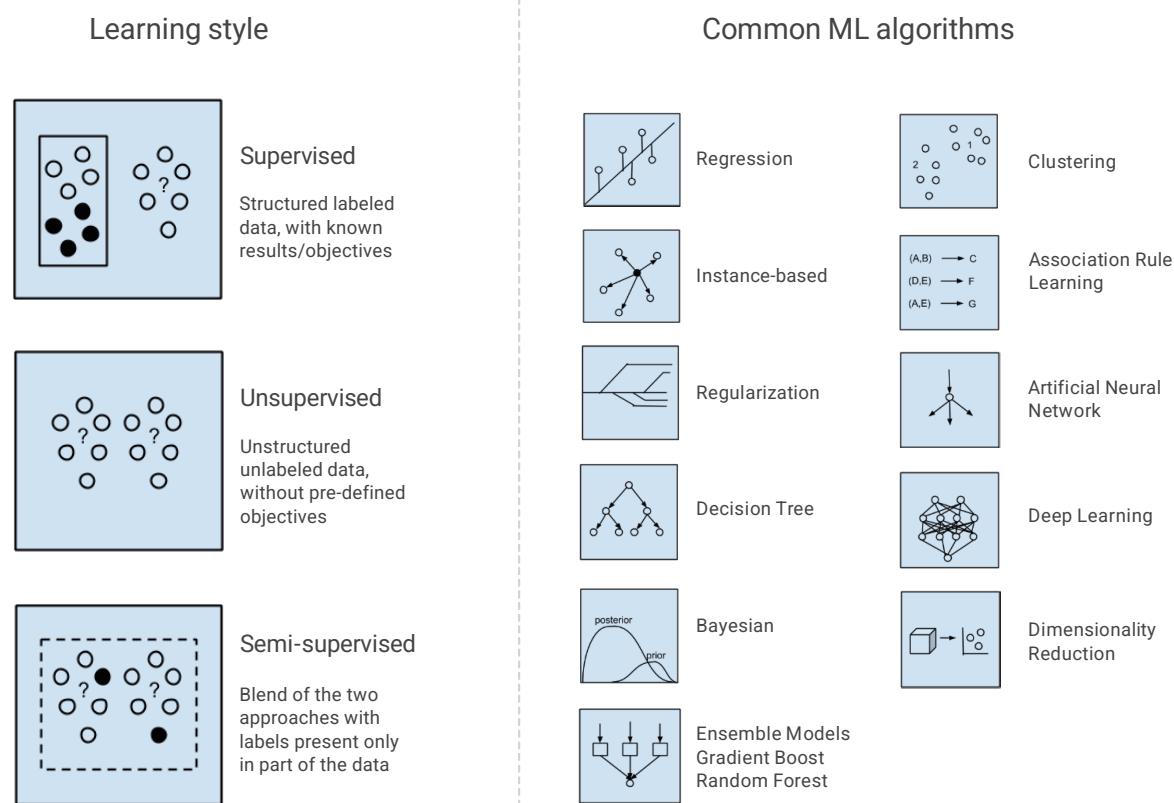
Digital predicted forward looking growth

Growth is the translation of change in digital velocity to forward looking topline revenue growth expectations for a business. The predictive signal has been developed primarily to rank order a portfolio of companies based on their future growth potential. The underlying algorithms leverage and benefit from near-real-time digital data on businesses available after the last quarter earnings release publicly disclosed by the company.

Correlation of digital trends to overall revenue trends

Trajectory reflects the strength of fit between digital customer interactions and overall revenues of a business over time. Companies with fundamentally stronger customer bases, superior customer experience and high growth profiles typically have a digital trajectory that mirrors its revenue trajectory. Conversely, struggling businesses lag in their digital act compared to peers and it manifests in poor digital correlation measures.

We deploy supervised machine learning algorithms to uncover stocks with potential for revenue upside in the near term and measure ourselves in terms of surprise predictive accuracy quarter after quarter



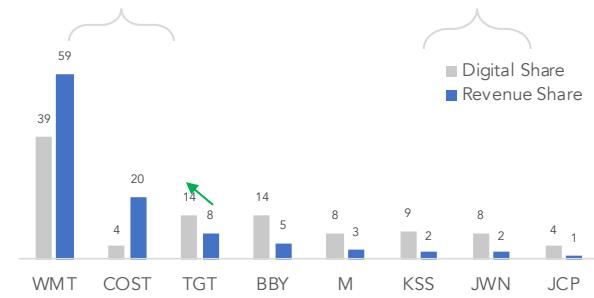
The digital data provides insights on the digital momentum of the company which our machine learning algorithms convert to a growth model

Large Retailers (Peer Group)
MAGNITUDE

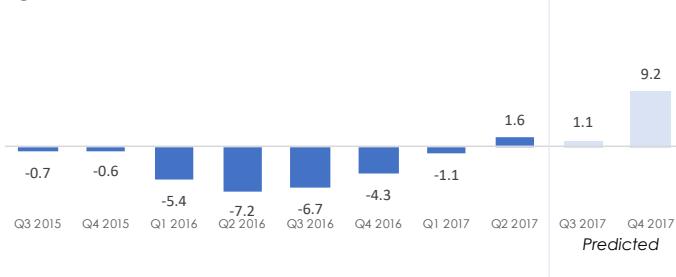
Figures represent z-scores

	General Merchandise			Department Stores				
	Walmart	Costco	Target	Best Buy	Macy's	Kohl's	Nordstrom	J.C. Penney
TOTAL MAGNITUDE	1.6	-0.6	0.2	0.0	-0.2	-0.1	-0.3	-0.6
WEBSITE SCORE	1.3	-0.3	-0.1	-0.1	-0.1	0.0	-0.4	-0.4
SEARCH SCORE	2.3	-0.6	0.3	0.2	-0.2	-0.6	-0.5	-0.8
SOCIAL SCORE	1.1	-0.8	0.5	-0.1	-0.2	0.1	-0.1	-0.6
PENETRATION SCORE	2.0	-0.6	0.2	0.1	-0.3	-0.3	-0.3	-0.6
ENGAGEMENT SCORE	0.1	-0.3	-0.9	-0.9	0.6	0.8	-0.1	0.7
POPULARITY SCORE	1.3	-0.9	0.6	0.1	-0.3	0.0	-0.1	-0.7

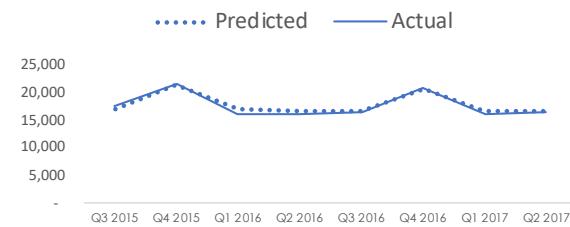
Large Retailers (Peer Group)
SHARE



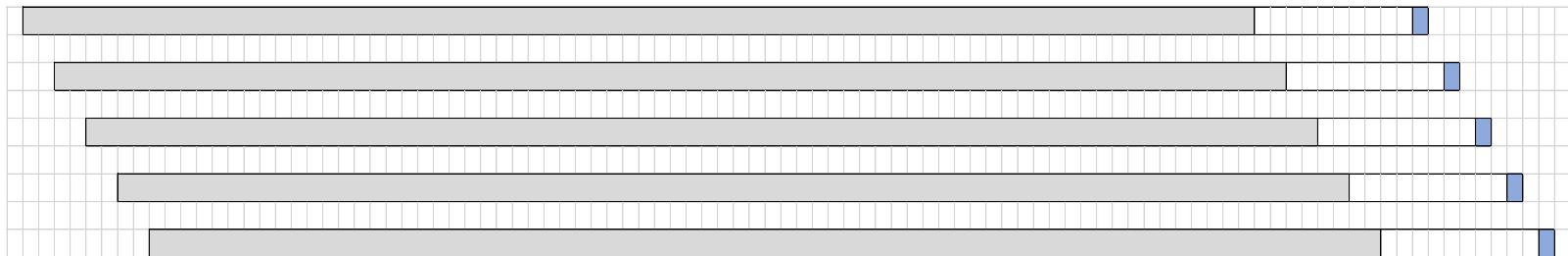
Target Corporation (TGT)
GROWTH



Target Corporation (TGT)
TRAJECTORY

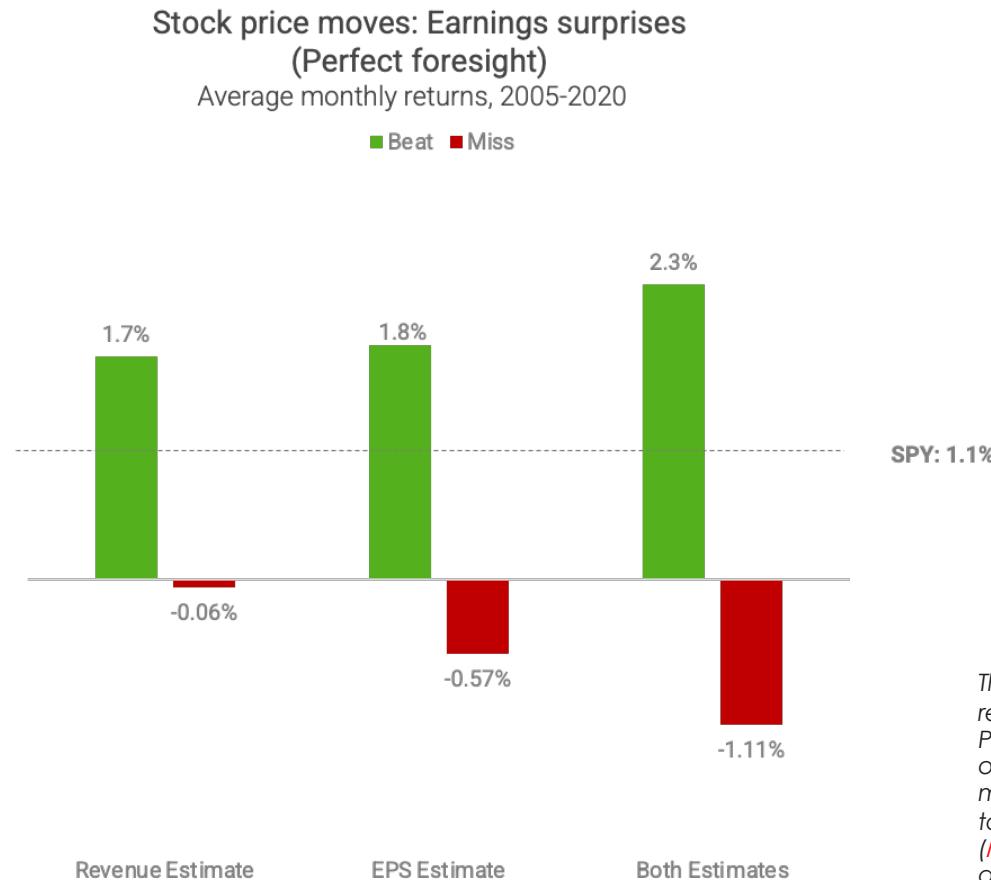


The analytic vectors are scored every week using machine learning technique that re-calibrates every week for every company going back over 10+ years ...



... for the express purpose of producing a probability score for each company in our universe: The Probability that the Company's actual growth is going to exceed the Expectations for their Growth. In other words, the company will **surprise** to expectations.

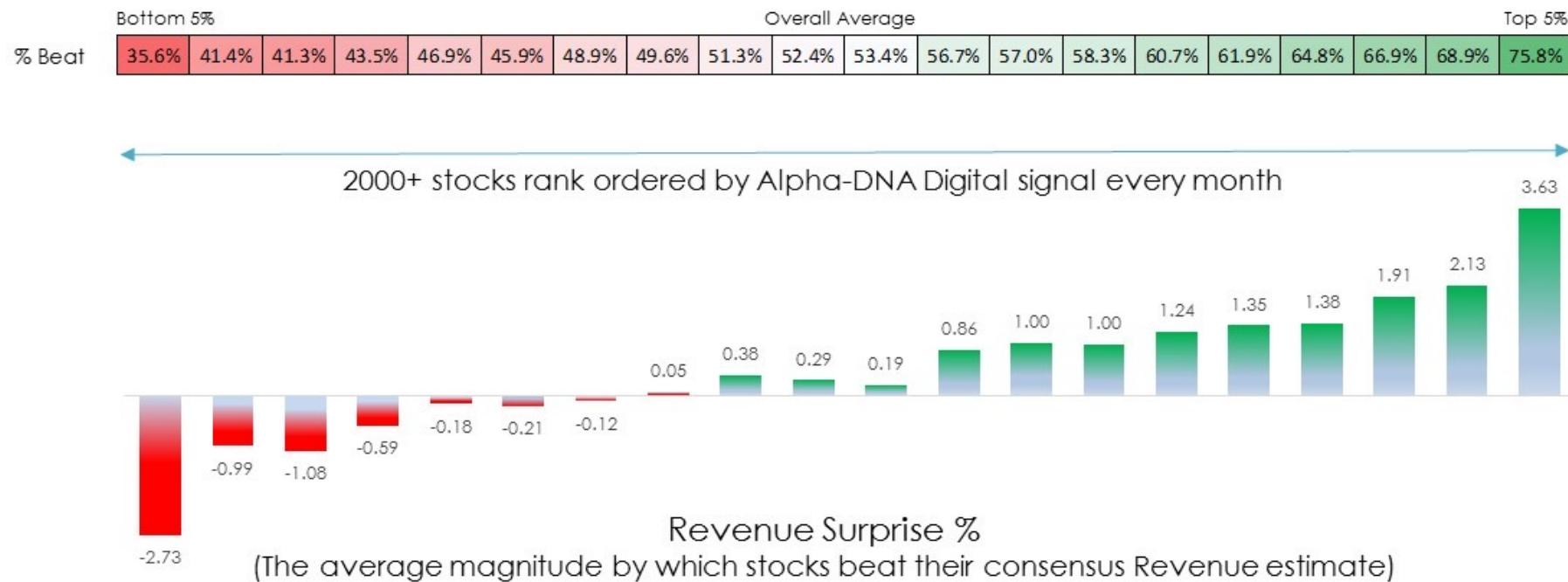
Predicting Surprise – a fundamental factor that generates alpha consistently over time



The data in the table is meant to represent the returns assuming Perfect Earnings Foresight. It is organized as follows: after each 3 months of earnings reporters, the top 10% (Beat) and bottom 10% (Miss) revenue surprises for the quarter are identified. The monthly return average is the average of the 10% decile that is going to surprise in the next 90 days – including that month's surprises. Hence, it is the returns with perfect insight.

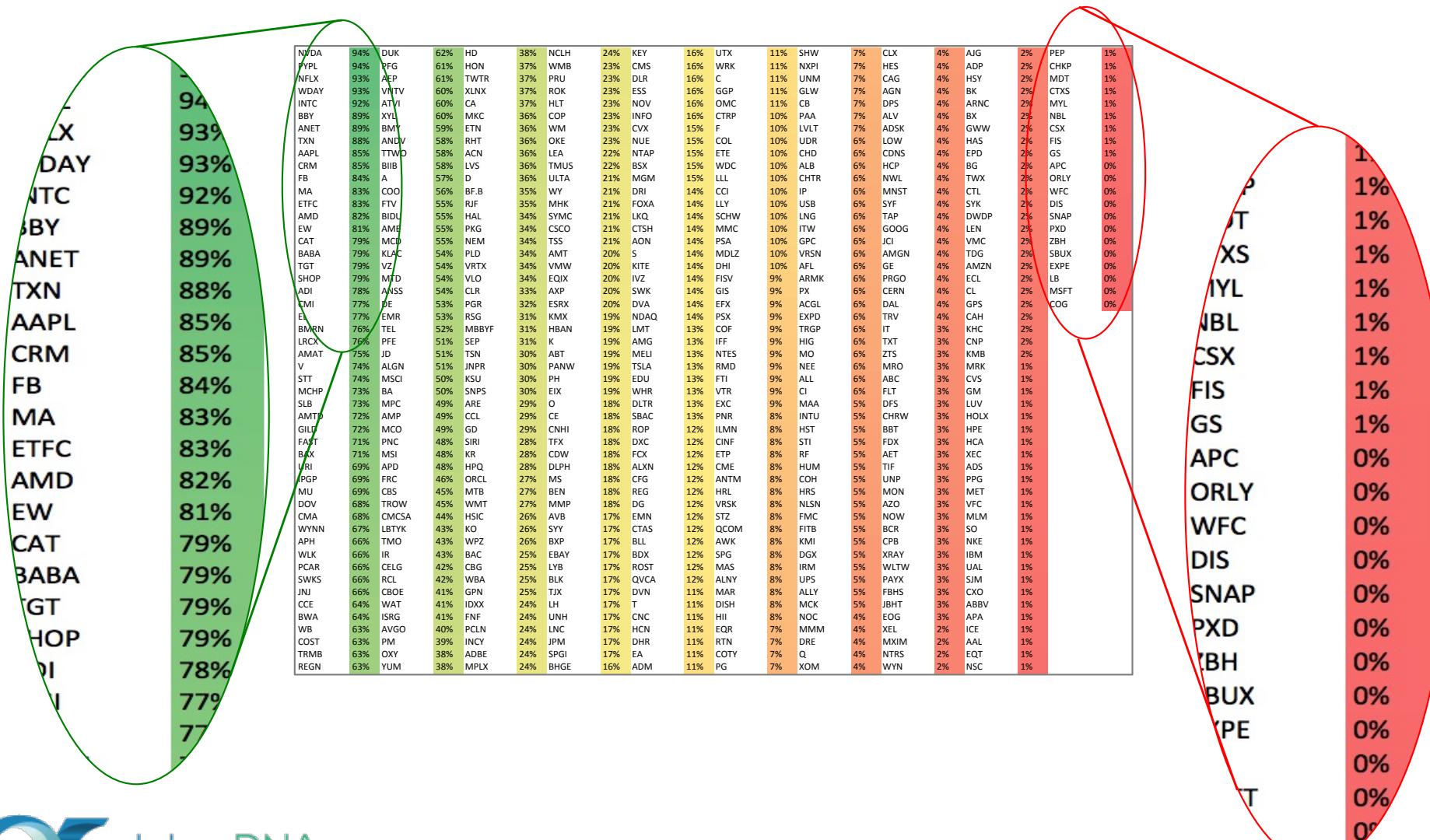
Our research has delivered strong outcomes in terms of predicting revenue surprises – both upside and downside surprise

Odds of Revenue Beat
(The percentage of stocks that beat their consensus Revenue estimate)



The data above summarizes the monthly twentile scores produced by our research from 2011 thru 2022. Each monthly score is compared to the stock's next earnings outcome after the score and those averages are indicated above.

We rank our entire stock universe but the tails represent the population for which we have the strongest conviction on how these companies will grow relative to Wall Street Expectations. These highest conviction stocks are integral to our portfolio construction.



Most important skills for your future in FinTech

- Math
- Programming
- Subject Matter Expertise
- Communication Skills

Important AI Trends in FinTech

- Mostly about productivity, so far
- Not as many managers with A.I. as a differentiator yet
- Alternative data sets becoming important
- Traditional data sets still important – with caveats

Wayne Ferbert – Co-Founder and Portfolio Manager

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