

Ensemble Active Management Validating its Potential – All of Bob Tull’s EAM Portfolios Beat Their Benchmarks by at Least 10% Over Past Year

Philadelphia, PA. September 16, 2020 – Pegassets is pleased to announce that all six of its EAM Model Portfolios ended the month of August with substantial relative outperformance versus their respective benchmarks, for both trailing 12 months and since inception. The average **excess** return for the Model Portfolios over the past year was 14.4% (1,441 basis points), while the average annualized **excess** return since the Portfolios inception dates was 12.5% (1,251 basis points)¹.

As expanded upon by Bob Tull, “When we launched these six EAM Model Portfolios more than 15 months ago, I expected them to do well based on the natural advantages of Ensemble Active Management and its use of AI, but I never expected this level of outperformance.” He further added, “Four of the Portfolios are benchmarked against the S&P 500 or Russell 1000 indexes – you are simply not supposed to have a full suite of products be able to beat those indexes by 1,000 basis points each over a year’s time.”

EAM Portfolios have been referred to as the next evolution in active management, with the enhanced potential unlocked through AI technologies. These solutions feature core investment fundamentals such as multi-manager design, 100% of the holdings reflecting managers’ highest confidence overweight selections, and the final stock selections based on the highest consensus agreement across the underlying managers.

The six Pegassets EAM Portfolios all are large cap active investment solutions, with most using various filtering techniques to shape returns. One is an ESG solution (Environmental, Social, and Governance). All of the Portfolios were designed with an eye towards the active ETF market, but all of the Portfolios can be delivered as an index.

Kathy Neumann, President of Pegassets, commented on the accelerating business opportunities, “EAM is here to stay, because it takes traditional active management to the next level using the power of AI and Ensemble Methods. Pegassets was a pioneer in the category, and we are now gaining significant traction. We completed our first licensing agreement with an asset manager in late spring and are actively exploring other partnerships with firms that seek to reap the rewards for their investors.” She concluded with, “Bob’s heart is in the ETF market and we hope to announce an ETF partner in the coming months.”

Contact Kathy at kathy.neumann@pegassets.com for more information.

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¹Pegassets calculates its Model Portfolio performance in a similar manner as indexes, with all returns gross of any fees and no transaction costs.

About Pegassets, LLC:

Pegassets is a firm dedicated to the licensing of proprietary and third-party intellectual property to the asset management industry. It was founded by Bob Tull, an icon in the ETF industry, in 2018. Inventors of intellectual property focused on financial technology, product structures, and transaction processing should speak to Pegassets to learn more.