



New Alpha from ESG2.0™ Factors – U.S. Large Cap (Russell 1000)

Advances in Big Data and Artificial Intelligence have enabled the construction of new data sets for analyzing investments. It is now possible to look at qualitative factors such as Environmental, Social, and Governance (ESG) issues using machine learning techniques. ESG2.0 enables the user to look at company ESG performance derived from 3rd party sources rather than company disclosed ESG metrics.

SASB™ Factors

TruValue Labs is the first to use these techniques to measure ESG performance as it is happening, tied to measures developed by the Sustainability Accounting Standards Board™ (SASB). SASB has worked with industry experts around the world to determine which ESG factors are the most material to company performance, by industry.

TruValue Labs’ Pulse, Insight, and ESG Momentum Scores

Each day TruValue Labs scans tens of thousands of unstructured data sources on the Internet and composes a score for each of the SASB factors for over 8,000 companies. The Insight score is a moving average of the faster-moving, event-based Pulse score, designed for investment use.

The ESG Momentum score is the relative ranking of the change in the Insight score over the past 12 months.

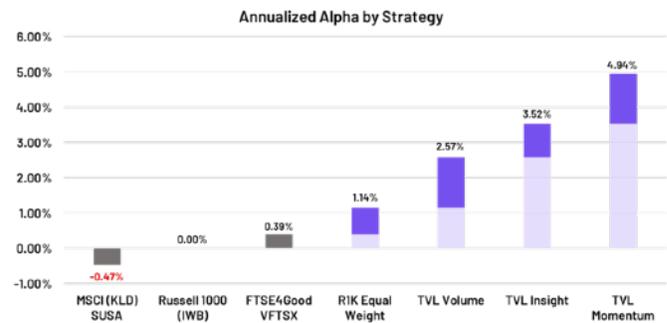
Portfolio Construction Methodology

Portfolio constituents are drawn from an underlying benchmark of Russell 1000 stocks, based on monthly composition of that benchmark at the time. The TVL Volume portfolio shows that companies with significant “buzz” around TVL factors tend to outperform their benchmark. This Volume portfolio includes the top 50% of Russell 1000 stocks according to volume of stories tagged with any of the TruValue Labs SASB categories. The Insight portfolio begins with the Volume portfolio then excludes the bottom 1/6 of companies with the lowest SASB Insight scores overall. The ESG Momentum portfolio begins with

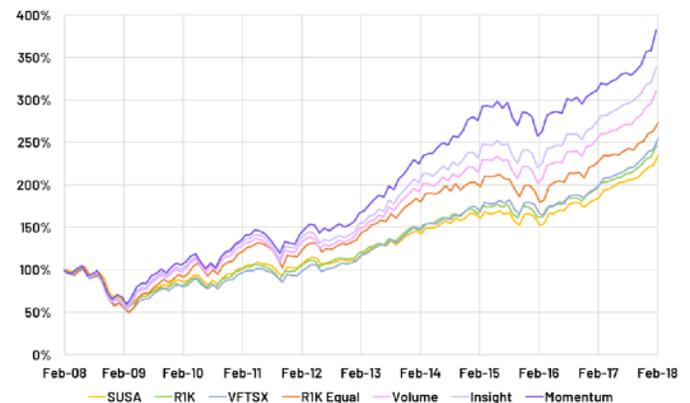
the constituents of the Insight portfolio and then narrows to those companies most likely to appreciate in price based on historical patterns of Insight and Momentum scores. For each portfolio, all stocks are equal weighted and rebalanced at the start of each month. Stocks that drop out of the multi-factor screens and/or leave the Russell 1000 are dropped from the portfolio.

Historical Simulated Backtest Results

These backtest results show the total return from portfolio stocks, not including fees, transactions costs, commissions, taxes, or any other market frictions.



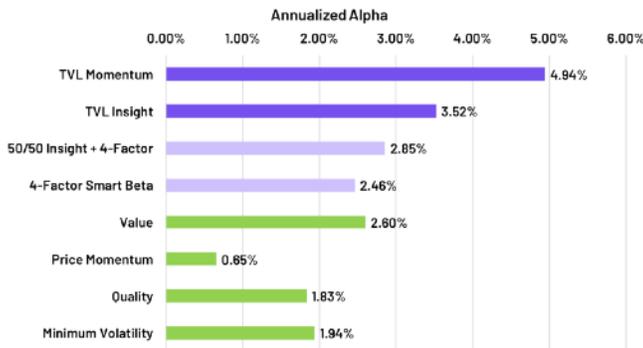
The figure below shows the ramp-up of value over time for each portfolio. In both figures the TVL portfolios are compared to the Russell 1000 index (both cap-weighted and equal-weighted) as well as to two well-known ESG funds based on traditional ESG data.





Potential Use as “Smart Beta” Factors

The TruValue Labs SASB Insight and ESG Momentum scores provide a way to quantify many factors missed by traditional quantitative analyses. Backtesting shows that the TruValue Labs factors perform toward the better side of many traditional quant factors and are additive to a multi-factor investment approach.



About TruValue Labs

TruValue Labs is the first company to apply artificial intelligence (AI) to uncover timely Environmental, Social, and Governance (ESG) data on a variety of asset classes. The company’s mission is to deliver increased transparency to investment professionals by providing data and analytics that go beyond traditional fundamentals. The flagship product, Insight360™, delivers timely and investable insights by revealing intangible value and risk factors from unstructured data. Visit www.insight360.io to learn more about the SaaS and API products.

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