

# AutoEPI - Equity Performance Indexing Assisting Portfolio Managers To Identify Buy/Sell Opportunities

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# About Joe Serdakowski

- ▶ Ph.D. Computational Fluid Mechanics, Brown University
- ▶ Registered Professional Engineer
- ▶ Master Business Administration, Rensselaer Polytechnic Institute
- ▶ Tired of watching retirement portfolio ebb and flow with market indices
- ▶ “There must be a better way”

# Equity Performance Indexing

## Current State of the Model

- ▶ Data on 2,400+ Equities from A to ZUMZ from 1/1/2001 to present extracted from YCharts
  - ▶ Adjusted Closing Price (1 Million + data points)
  - ▶ Shares Outstanding (188,000+ data points)
  - ▶ 65 key parameters from (11+ million data points)
    - ▶ Income Statements
    - ▶ Balance Sheets
    - ▶ Cash Flow Statements
    - ▶ Industry Standard Ratios

# Daily Snap Shots of Each Equity's Performance

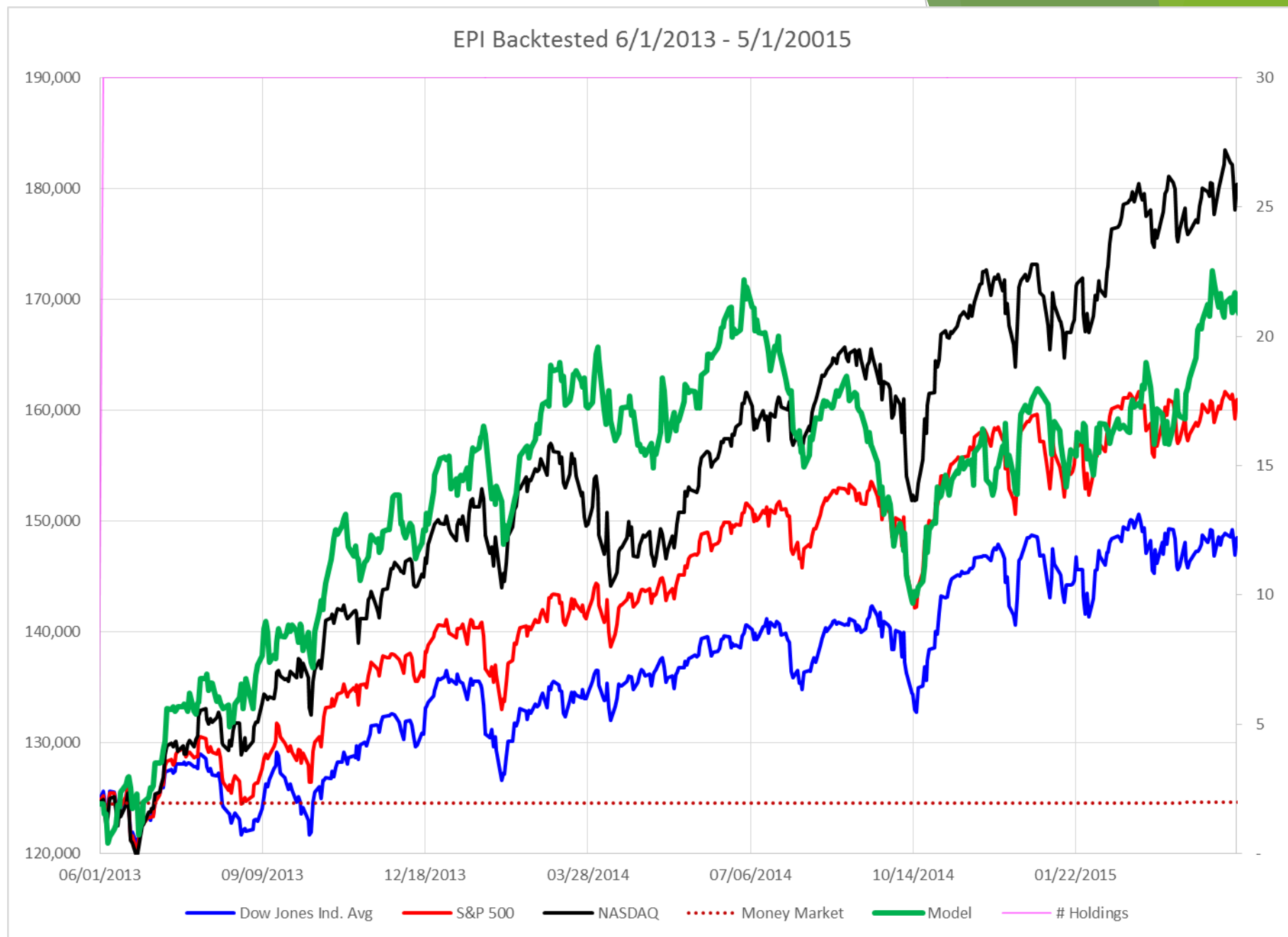
- ▶ At the close of trading, a computer downloads the latest information
- ▶ Hours of computations to calculate the daily value of 24 important quarterly report parameters. Essentially providing a “best estimate” of what each equity's Income Statement, Balance Sheet and Cash Flow statement would look like at the close of trading each day.
- ▶ 14 derived parameters are calculated from the best estimate
- ▶ 41 dimensionless ratios are calculated, allowing for “apples to apples” comparison of all 2,400+ equities. (~ 600 Million data points and growing)

# Now the real work begins

- ▶ A portfolio manager can then use his/her knowledge to configure AutoEPI to assess all 2,400+ equities
- ▶ There are 165 settings available on the configuration screen
- ▶ A comprehensive Backtesting module allows the portfolio manager to test assumptions for any time range.

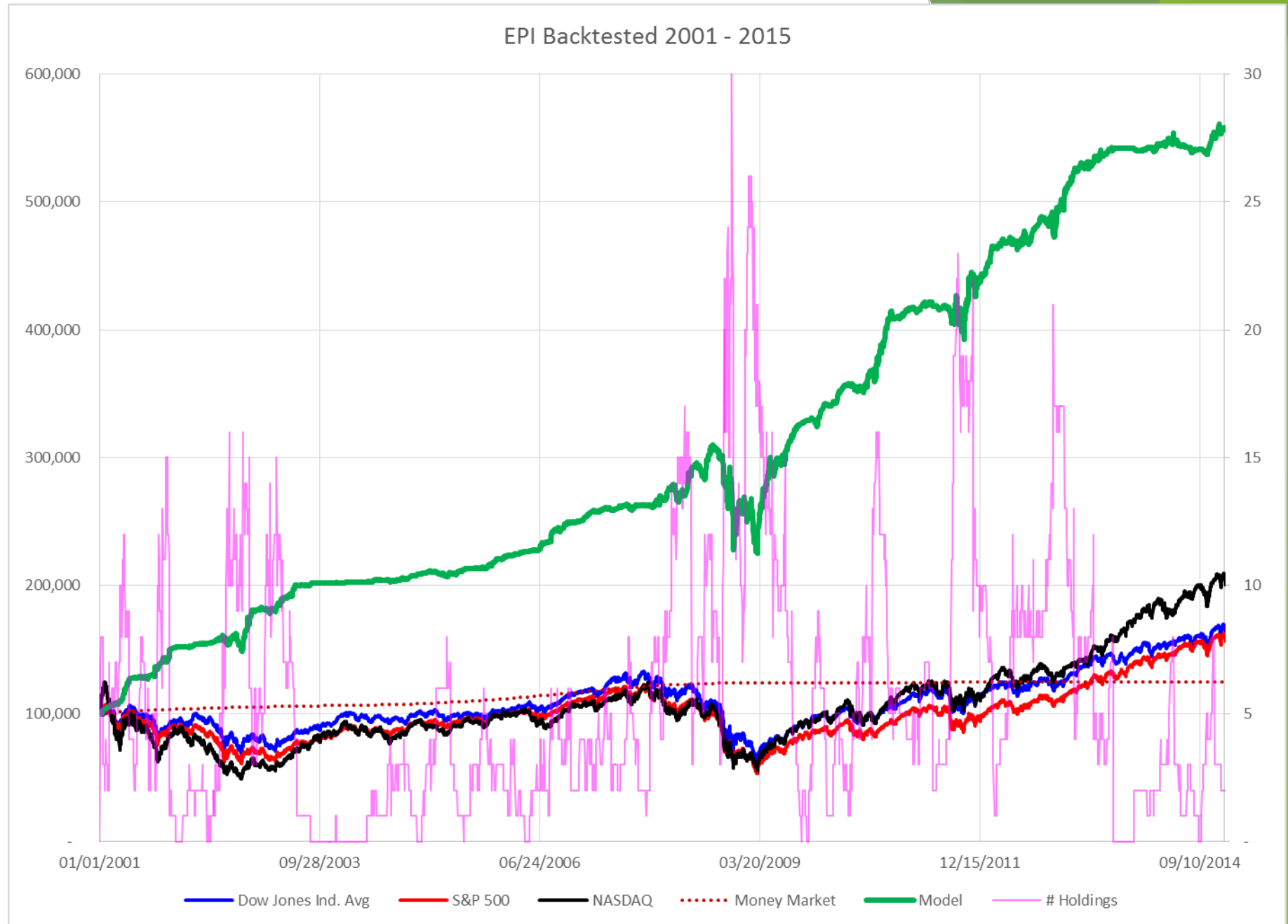
# 2 Year Backtesting Example

- ▶ A skilled Portfolio Manager will be able to refine the input parameters and achieve an even greater return.



# 14 Year Backtesting Example

- ▶ The returns here are quite staggering
- ▶ A skilled manager can further analyze the data and contribute to the model to improve operation and projection accuracy



# Summary

- ▶ The AutoEPI tool can be employed by a skilled portfolio manager to identify leading candidates for investment, and provide detailed reports to the portfolio manager to assist in the final buy/sell decisions
- ▶ AutoSoft Systems is seeking an alliance with another entity that can
  - ▶ Work with AutoSoft Systems analysts to improve the tool's functionality
  - ▶ Assist in funding of further development
  - ▶ Determine how to monetize the AutoEPI tool
  - ▶ Share in the profits