

OUR PURPOSE & VISION

Alpha DNA is an investment management firm with an innovative and proprietary research platform. We utilize **alternative data** and **artificial intelligence** to build better equity portfolios for our clients. We work exclusively with advisors to deliver our equity strategies in the client's brokerage account at firms like **Charles Schwab** and **Fidelity**. By partnering with advisors, we can **customize** the client's portfolio exposure to target a specific **risk/return profile**. Our commitment to **continuous improvement** has produced multiple new strategies and research enhancements that have improved our **risk-adjusted returns**.

RECOMMENDED DUE DILIGENCE QUESTIONNAIRE FOR A.I. BASED INVESTMENT MANAGERS

Describe the A.I. you are using.

- What are you using Machine Learning for?
- What is the objective function?
- Are you using classical machine learning or neural networks?
- What data do you use?
- What is the time horizon of the predictions?
- How long do you go between retraining your parameters?
- Is your data structured or unstructured?
- Explain the extent of use in supervised vs unsupervised learning.

Is the A.I. predictive?

- What do your AI algorithms predict? How does that correlate to better investment returns?
- How likely is it that you overfit your data?
- How much test data do you have?
- How do you regularize your algorithm?
- What is the distribution of results? Are there major outliers?
- How much separation is there from train to test?
- Do you use cross validation?
- Do you more strongly weight more recent data?

Is it real?

- What is different about your investment process today versus before the use of A.I.?
- Can we please meet the data scientists that make your AI routines possible?
- How much data do you use? How frequently is the data updated?
- How do you curate the data? How do you monitor the quality of the data?
- How do you handle outliers/bad data?
- Do you normalize your data?
- Do you do anything to de-bias inputs?
- How do you ensure future data isn't being used in back-testing?
- How many models have been run?

Is it intuitive?

- Is this easy enough for me to explain your approach to my clients? Will it be easy for them to understand?
- Is it black box and/or opaque?
- Are there any auxiliary outputs?
- Do the results make economic sense?
- How do you test the results?
- Are there meaningful intermediate results?