

For more information, contact:
Barry Schwartz
212-677-8700 x118

For Immediate Release

HIDING IN PLAIN SIGHT:

Farrington Asset Management's Ensemble Active Management Portfolio Beats S&P 500 and Wins Investment Contest

November 8, 2018 – In September 2018 the EAM Research Consortium published a White Paper that introduced the world to Ensemble Active Management¹ (“EAM”), a study based on a massive analytical database featuring 30,000 EAM Portfolios. While the results were compelling in both scale and scope, all 30,000 were hypothetical . . . until now. Specifically, the EAM Research Consortium today reveals a powerful example of a live Ensemble Active Management Portfolio, dating back to May 2017. This strategy is benchmarked to the S&P 500 Index, and is run by Singapore-based Farrington Asset Management.

Farrington's CEO, Martin Young, stated “We have been delighted with the strong performance of our Ensemble Active Management strategy, which has exceeded our original expectations. It has outperformed the S&P 500 by more than 200 basis points on an average annual return basis since its inception, and its partially concentrated portfolio of 50 stocks makes it ideal as a Separate Account for our High Net Worth clients.”

Farrington is based in Singapore with subsidiaries in Malaysia and (by year end) in Dubai, with more than a quarter billion (US\$) in assets under management. Earlier this year, Farrington became an SEC-registered Investment Advisor in the U.S.

In addition to using the EAM Portfolio to manage accounts in Singapore, Farrington also entered it in 12-month investment competition (from July 2017 to June 2018) sponsored by a well-known Asian investment publication, *Fund Selector Asia*. The contest required Farrington to enter three US\$-based asset allocation portfolios covering Conservative, Balanced, and Aggressive risk levels. The US equity portion of all three of Farrington's portfolios were based on their EAM Portfolio, benchmarked to the S&P 500. Farrington was the clear winner, delivering the best return in all three risk categories, and was the only firm to have all three portfolios exceed the magazine's corresponding custom benchmark.

As explained by Martin Young, “These kinds of contests are an opportunity to showcase our strengths. In this case, our Aggressive Portfolio, with 90% in equities, delivered a 20.1% return versus 11.3% for the benchmark. The next best competitor only reached 10.5%.” He added, “Certainly, winning this competition is further evidence that the premise of Ensemble Active Management is sound, and when such premise becomes solid promise, it is time to take notice.”

“**EAM Portfolios**” are built by applying time-tested “Ensemble Methods,” a core component of Artificial Intelligence and Machine Learning for decades, to the high conviction stock selections of traditional actively managed mutual funds. The result is a ‘multi-expert’ solution, vs the ‘single-expert’ paradigm of traditional Active Management.

About EAM Research Consortium:

EAM Research Consortium is a group of technology professionals, data scientists, investment professionals, and academics who believe that Ensemble Active Management is a real and viable concept, and who have come together to advocate for its broader acceptance and use.

Join the EAM Research Consortium Group on LinkedIn. In an effort to encourage engagement, and to foster transparency, all EAM Research Consortium Group members will have access to the summary data generated as part of this White Paper.

¹ EAM Research Consortium's White Paper, "*Ensemble Active Management – The Next Evolution in Investment Management*", can currently be downloaded free of charge at ensembleactivemanagement.com.