About Evovest

Evovest automates investment decisions with a scientific approach. Machine learning allows us to identify the best potential investments by analyzing financial and macroeconomic information. Our approach stands out by integrating the best practices in portfolio management and artificial intelligence. Our commitment is to generate superior returns through an innovative approach at a competitive cost.

Quarterly review - Q4 2022

A transitional year has ended. The end of health restrictions and the impact of inflation have created economic uncertainty that has impacted stocks and bonds. Most traditional investment portfolios were down sharply for 2022.

We are particularly proud to have been able to protect our clients' capital over the past year. The gross return of the equally weighted global equity strategy is -0.9% for 2022, a significant outperformance compared to our benchmark index, which ended the year at -10.9%. Over the last 3 years, the gross annualized return amounts to 10.9% compared to 3.0%.

For those who have trusted us from the beginning, we thank you for being present and for believing in us. Evovest remains dedicated to evolve and to continue to offer you a unique source of returns.

New team member

Many projects are underway for 2023, the arrival of Vanessa Vega Miranda recently allowed us to acquire additional skills in management and marketing. She joins us after a career that includes experiences at Walmart and Foodology, and she completed an MBA from IE Business School in Madrid. You will certainly have the chance to interact with her soon.

New Product Offering

To pursue institutionalization, one of the important elements is to offer products that are comparable to others. We are pleased to inform you that in October, we have migrated the mandate of the PGEQ to a benchmark with a market capitalization weighting. This change is part of the constant evolution and demonstrates the adaptability of our process. From now on, the construction of the portfolio takes place with weights relative to the benchmark index and allows us to make small active geographical deviations. In the coming months, you will be able to find information for these returns on our website.

A R&D summary for 2022

Although our investment process identified good investments in 2022, we are continuously working to improve it. With this in mind, two major projects were initiated during the second half of 2022. We hoped to greatly improve the modeling of security volatility and the detection of anomalies in our process. The work on volatility modeling has proven to be similar to methods we currently use, not to mention a similar experience we had with attempting to model a correlation matrix with methods of deep learning. Although mixed, we continue to explore other methods in R&D to improve upon the underlying of risk modeling. We got some interesting results with anomaly detection. To use an investment analogy, the goal of this project is to develop a chief investment officer that can help the predictions of the underlying AI managers. Some breakthroughs have been made and we will see recommendations in the coming months to assess full integration in a new version of the process.

2023 projects

For 2023, we are rolling out a new research architecture that will allow us to be more efficient and iterate faster on ideas for improving the investment process. Also, new resources will be dedicated to the integration of new data to improve the accuracy of the excess returns signal.

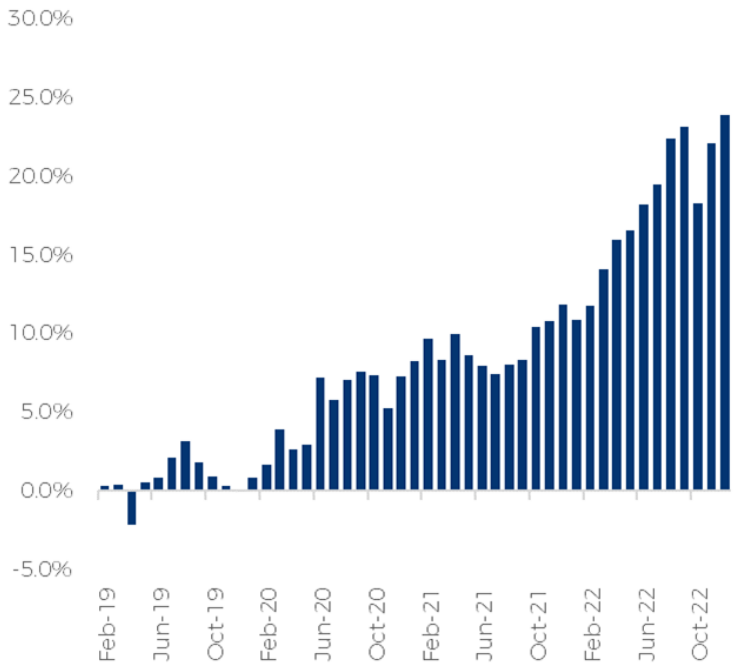
Finally, a major review of our ESG vision will be initiated with the help of Tamara Close, member of the board of directors.

Warning: The returns presented in CAD include transaction costs but exclude management and operating fees. Past performance is not indicative of future results.

Returns - Global Equities

The last quarter of 2022 proved volatile for the global equity strategy. In relative, October was the month where the strategy performed the worst in 2022. However, this was followed in November by the best performance of the year. This is mainly because from September onwards, an underweight momentum positioning was established. This was slightly too early since this factor continued to perform up to a peak in recent years. However, this positioning was beneficial in November, given that momentum corrected sharply. The year finally ended with a month of December that was less volatile in terms of alpha, but the strategy still outperformed. It should be noted that these positioning choices were visible in our explanatory AI tool with a strong importance given to volatility, momentum and macroeconomic factors.

Cumulative Realized Alpha



31 jan. 2019 - 31 dec. 2022	Evovest	MSCI World EW Net
Annualized Returns	11.4%	5.4%
Annualized Alpha	6.0%	N/A
Annualized Volatility	14.1%	15.0%
Beta	0.87	N/A
Returns Q4 2022	11.9%	11.2%
Tracking Error	5.1%	N/A

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