ETC Student Investment Fund Investment Strategy

Strategy Name: ETC Momentum Value Strategy

Portfolio Manager: Andrew Huangfu

Asset Class: US Stocks

Selection Universe: S&P 500 with the following screening factors:

(1) Last 12-1 months price change is positive

(2) ROE from last year’s annual report is positive

(3) Positive PE ratio

Strategy Benchmark: S&P 500 index

Portfolio Rules and Constraints:

1. Rebalancing Frequency: 1 month
2. Reconstitution Frequency: 1 month
3. Portfolio consists of 20 Stocks Equally Weighted

* When the S&P 500 index drops greater than or equal to 10% within one week or the stock market fuses greater than or equal to 1 time within one week, the portfolio manager has the right to rebalance or reconstitute manually.

Optimization Factor:

Construct a score with multifactor and rank the stocks according to the score

a. 50% momentum factor (12-1 monthly return ranking) in descending order
b. 25% ROE (from last year’s annual report) in descending order
c. 25% PE ratio in ascending order

We take the top 20 ranked stocks.