

## Portfolio changes are decisions. Decisions reveal conviction.

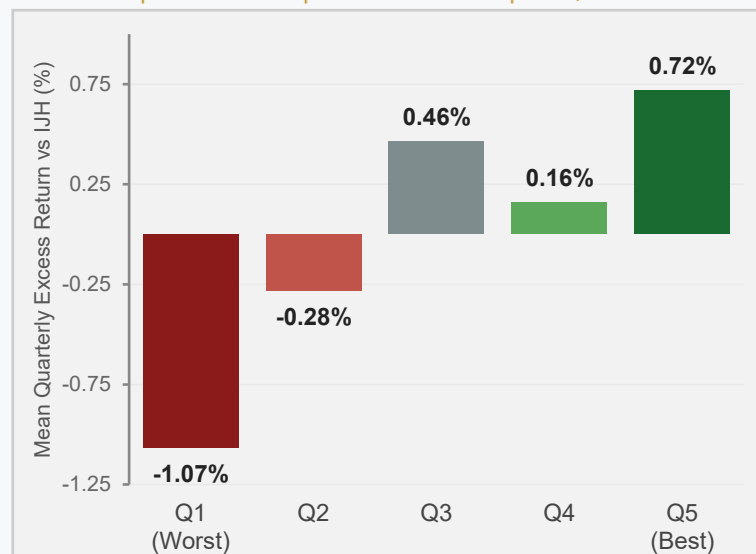
Every quarter, Innovation Beta processes over 10,000 institutional portfolios — then filters to ~3,000 active, fundamental managers whose portfolio decisions signal conviction. Most tools track who owns what. We built the system that reads how ownership is moving. Some conviction signals are bold and visible — a new position, a doubling down. Others are subtle and cumulative — small weight shifts across dozens of managers that individually mean nothing, but together reveal conviction direction. We built the only system that captures both. The result: a single Conviction Score for every MidCap stock, every quarter.

### THE PROOF

<b>+7.1%</b> Avg Annual Spread (Q5 vs Q1)	<b>67%</b> Quarterly Win Rate
<b>48</b> Consecutive Quarters	<b>~3,000</b> Managers Analyzed

### Composite Score Quintile Performance

Spread: +1.78% | Win Rate: 66.7% | 48 Quarters



8 Features Combined in a Single Composite Conviction Score for Every MidCap Stock

### HOW IT CAN BE USED

#### Idea Generation

Surface high-conviction names you may be underweight. Cross-reference our Q5 against your universe to find overlooked institutional accumulation stories before they become consensus.

#### Position Sizing

Use the Conviction Score as a sizing overlay — increase weight in Q5 names, trim Q1 exposure. The spread between quintile extremes is where the alpha concentrates.

#### Risk Management

Are your current holdings quietly fading in institutional conviction? The bottom quintile underperforms more reliably than the top outperforms. The fear signal is the stronger number.

## HOW IT WORKS

1

**Screen** 3,000 active, fundamental manager portfolios each quarter for position changes that reveal shifting conviction in individual MidCap stocks.

2

**Score** Each stock across 8 non-correlated behavioral signals — measuring both strong and weak conviction — and combine into a single equal-weight composite. Zero trained parameters. No overfitting risk.

3

**Rank** All ~400 stocks from highest to lowest conviction. One score. One rank. Every quarter. Actionable for the 90-day window beginning ~46 days after quarter-end.

### Example Signal: Net Institutional Interest

Measures whether the holder base is expanding or contracting each quarter. 12 new entrants and 5 exits against a base of 148 holders = growing. 3 entrants and 14 exits against 80 holders = shrinking. Percentile-rank across all 400 stocks. That single signal: +1.03%/qtr spread, 66.7% win rate — on its own, before the composite. It is combined with 7 other non-correlated signals (3 anti-signals) for the more robust composite.

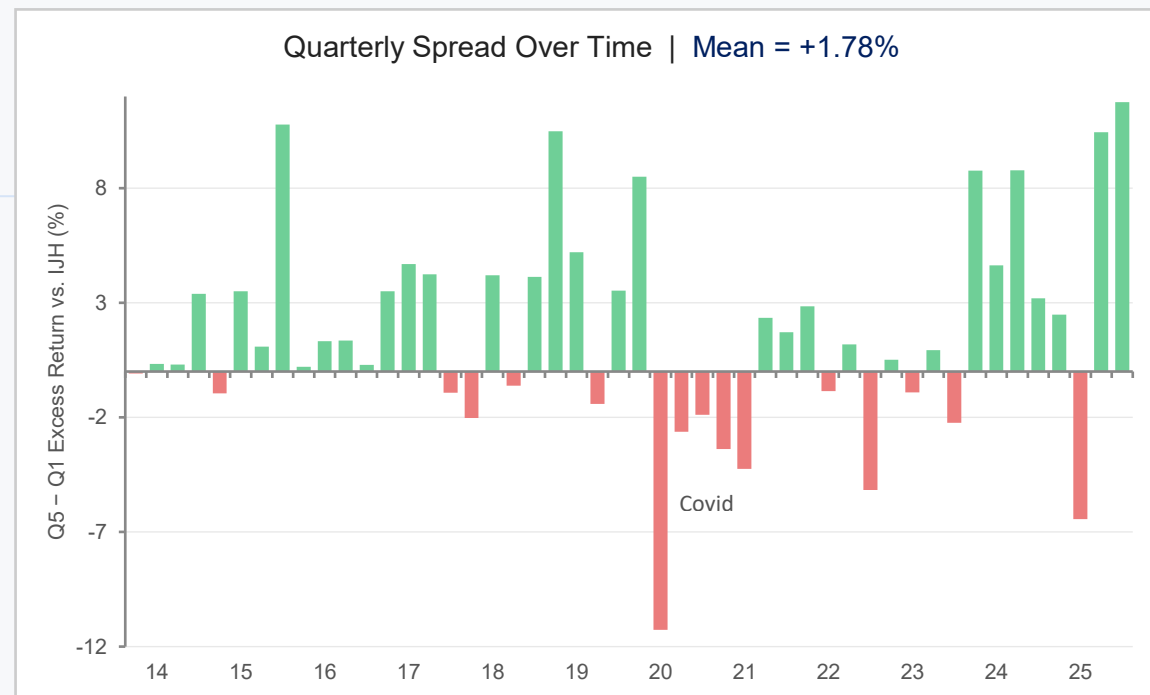
### The Infrastructure Behind the Score

SEC 13F forms are filed quarterly — but searchable only by filer. To ask “how many managers initiated a new position in AZTA this quarter, and what was their average allocation relative to their portfolio size?” you need every filing parsed, normalized, deduplicated for amendments, chained for ticker and CUSIP changes, filtered to active managers, linked to prior quarters, and a pricing source. That database is the foundation. The signal is what makes it possible.

### Get the Data

Conviction scores back to 2014 available upon request. MidCap stocks are representative of S&P Midcap 400 index as proxied by ETF IJH. Scores intended to be applied as a basket; the spread is a portfolio-level effect, individual stock selection is not the intended use case. Contact: [tgalbraith@innovationbeta.com](mailto:tgalbraith@innovationbeta.com) for additional information.

## CONSISTENCY OVER TIME



*This material is provided for informational purposes only and does not constitute investment advice or a solicitation to buy or sell any security. Past performance of the conviction scoring model is not indicative of future results. Not investment advice. For institutional and professional use only.*