

Artificial Intelligence Applied to Asset Valuation

RATIONAL INVESTING CASH FLOW ENGINE

PRODUCT

- Institutional quality system for 'economic scrubbing' of data, screening, and DCF valuation of equities, analysis of Enterprise Value and debt risk
- 3750 tickers, 2/3 US domicile, with a scrubbed valuation history, 1/3 ADS and non-US. Any global ticker added on demand, 1000 checked monthly
- Fully linked DCF valuation spreadsheets indispensable for scenario analysis
- Value public or private issues of equity and debt worldwide
- Uniquely uses heuristics (artificial intelligence rules) rather than statistical tools
- Completely standardized across all sectors and market caps except insurers and utilities
- www.rationalinvesting.com/demo/RationalDemo.exe

MODEL

- Valuation methodology constructs a forward looking beta using fundamental risks to assess relative value; proprietary CAPM revolutionizes SLB / Fama French
- A sophisticated projection of normalized historical free cash flow captures market expectations, interpolation absorbs data volatility and cyclicalty
- Uniquely integrates equity, debt, and enterprise cash flow analysis, scrubbing in context of valuation quantifies impact of events
- Incorporates the yield curve, credit conditions, as well as sector and firm specific fundamentals into a single set of valuation logic
- Tickers that seem mis-priced are reviewed for error and risk settings.
- Tested in market neutral monthly simulations in realistic conditions

SUPPORT

- Tickers of interest can be scrubbed for corporate events, not just data errors, and uploaded by our analysts overnight after earnings release vs. lags of up to a week in other products
- Real-time human support is critical for small caps and international issues or after M&A to eliminate noise
- Footnote analysis including financing needs, hedges and energy reserves
- Custom ranking screens based on client investment style and real-time support for reviewing target companies
- Check emerging markets data across multiple sources