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Event Shares CIO REPORTS - Q1 Market Outlook

JON CLEMENTS

Market Commentary as of 12/31/2018: The U.S. policy-making environment is about to shift in Washington, D.C. Democrats took control of the House in January, while Republicans maintain control of the Senate. In this outlook, we share our views on the upcoming policy-making environment and discuss how trade and Federal Reserve tightening may impact markets. **Gridlock:** An overused word by the pundits, but accurate to describe what likely unfolds in 2019. But there are ample policy catalysts in a gridlock which should drive markets over the coming years.

Q1 Outlook

We expect House Democrats to use their subpoena power as a check against the Trump administration (e.g. examining the deployment of the National Guard to the southern border, payments from the Trump campaign, Trump organization business dealing with Russia, the firing of FBI Director James

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The views and opinions of the authors are not necessarily those of NAAIM, its officers or Board of Directors.



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President's Letter



Steve Williamson

DECEMBER WAS A VERY GOOD time to be an active manager. It definitely helped to have a strategy that hit the brakes early and didn't leave your clients with a painful year end.

The first 8-10 years I was in this business, I always thought it was about making money for people. But the longer I manage client portfolios and work with clients, the more I realize risk negation is the real priority. Ultimately, we are looking to the market to provide our clients with gains. Our job is to prevent the inevitable losses that come with the reality of investing – down markets happen and always will happen.

Where do we go from here? Volatility is back. The next two months look pretty rough for investors, but after that I think we have at least three good months ahead. Beyond that? Well, I am looking forward to hearing what the market analysts at the NAAIM conference have to say. It's definitely going to be an interesting year from political upheaval to interest rate speculation, the growing debt exposure of the consumer, global market issues and more. If I wasn't already firmly in the active management camp, I would definitely be taking a hard look at how to incorporate risk management into my investment approach.

As it is, I'm looking for new ideas, better ways to manage risk and every edge I can give my clients. Which leads me straight to the NAAIM Uncommon Knowledge Conference, scheduled for April 28-May 1 in Scottsdale, Arizona. Make certain and read the articles on the conference, make your hotel reservation and put on your traveling shoes in April. Matt Spangler and his agenda team are doing a fantastic job and the agenda promises to continue NAAIM's tradition of strong, information-filled conferences.

The NAAIM Shark Tank is also going to be a fantastic opportunity this year. Every year the competition gets a little more fierce with really good presenters. Adding to the pressure this year are the best prizes I have seen for the winning manager, including a TAMP system third-party manager slot. Make certain and read the prize list on page 2 and if you haven't yet, get your application in.

I'm sorry I won't be able to attend the NAAIM Golf Classic on Sunday, but my daughter is competing in a softball tournament that weekend and I don't plan to be on a plane until the last game is played. Her team is ranked among the best in the state for 9-year-olds. My son is getting ready to start baseball this year and the youngest is in potty training, so my extracurricular time looks pretty well booked up for years!

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Put NAAIM Uncommon Knowledge 2019 on Your Calendar

MATT SPANGLER
NAAIM AGENDA COMMITTEE CHAIRMAN

THE BEST REASON FOR ATTENDING UNCOMMON Knowledge 2019 comes down to connections you only get by being there in person. The next best reason is the extraordinary caliber of information throughout the conference. If you are an active investment manager, this conference is designed for you.

The 2019 event is set for April 28 – May 1 in Scottsdale, AZ at the DoubleTree Resort by Hilton Paradise Valley - 5401 North Scottsdale Rd., Scottsdale, AZ 85250.



On the agenda are critical topics for the active investment manager, from trading and risk management strategies to the state of the market and expectations for the second half of 2019; better ways to market and grow your firm, including digital strategies; compliance issues advisers really need to know; new developments in mergers and acquisitions in the investment adviser industry; new financing tools, deal structures and succession strategies; and much, much more.

Introducing Potential New Members to NAAIM Can Significantly Reduce Your Conference Costs!

Regular registration costs for the 2019 Uncommon Knowledge conference are \$800 members, \$1,000 non-members. Members with under \$10 million AUM can qualify for a 50% discount on registration costs. **Discount cannot be combined with other offers.**

But then it gets better... Regular members who bring a non-member to Uncommon Knowledge, are entitled to a 2 for 1 discount – i.e. just \$400 per person to be divided as you choose. Advisers who join NAAIM and sign up for the 2019 Uncommon Knowledge Conference will receive a 50% conference registration discount and free membership for 2019 (available only to those who have not been a member in the last three years).

NAAIM's goal with the discounts is to introduce more potential members to the association so that we continue growing our membership and bringing fresh ideas and perspectives to the association. For more information on these special incentives, contact NAAIM Administrator Susan Truesdale – info@naaim.org or 888-261-0787.

This is the adviser's chance to ask questions, create new relationships and enhance their investment management practices. But it can't happen if you are not there. No amount of articles, books and teleconferences can equal the benefit of being with advisers who share an active approach to investing with all its challenges.

To help start the conversation, the 2019 conference will be offering breakout sessions for large, small and midsize firms and networking opportunities outside of the meeting schedule, from golf on Sunday to a baseball game (New York Yankees vs. Arizona Diamondbacks) on Tuesday, and a Monday evening cocktail party, break sessions in the sponsor room and a conference site designed for conversations.

Make your hotel reservations now to assure your room at the NAAIM group rate and watch for more details as the agenda and speakers are finalized and released.

RESERVE YOUR HOTEL ROOM ON-LINE AT:

NAAIM | DoubleTree Resort by Hilton Paradise Valley (https://secure3.hilton.com/en_US/dt/reservation/book.htm?inputModule=HOTEL&cityhcn=PHXSJDT&spec_plan=CDTNAA&arrival=20190428&departure=20190501&cid=OM,WW,HILTONLINK,EN,DirectLink&fromId=HILTONLINKDIRECT)

What to Expect:

Sunday, April 28

- NAAIM Golf Classic
- Solo Advisers Meeting
- Welcome Cocktail Reception

Monday, April 29

- New Member Orientation
- Registration
- Opening Conference Sessions
- Monday evening cocktail party

Tuesday, April 30

- Continental Breakfast
- Conference sessions start early with an information-filled day
- Sponsor introductions at lunch
- Breakout Sessions throughout the day
- New York Yankees vs. Arizona Diamondbacks baseball game

Wednesday, May 1

- Continental Breakfast
- Presentation of the NAAIM Founders Award Paper
- Ongoing Conference Sessions and Breakouts
- Final Luncheon
- NAAIM 2019 Shark Tank Competition

See you in Scottsdale April 28-May 1, 2019.

Shark Tank is Back Better Than Ever at Uncommon Knowledge 2019



UNCOMMON KNOWLEDGE 2019 ADJOURNS AT 1 p.m. on Wednesday, May 1, but the learning and fun are not over yet. Make plans to stay for Shark Tank 2019 for an introduction to innovative active investment strategies and managers who could reshape your advisory practice.

The 2019 NAAIM Shark Tank strategy competition is open to all trading and investing practitioners who have developed strategies with a live, verifiable, real money track record. Membership in NAAIM is not required for the 2019 competition, opening the door to new managers and new strategies.

“I entered the Shark Tank for the 2015 competition. After placing third, my assets began to grow substantially, even before winning the competition in 2017. Today our assets, primarily through licensing using just the EVO strategy, have grown to \$370 million. I have to credit my participation in the Shark Tank for the exposure in getting to this level.”

*Rich Paul - 2017 Shark Tank Winner
President, Potomac Advisors*

Also new to the NAAIM Shark Tank in 2019 - the winner will receive a distribution slot on Global View Capital Management's TAMP offering, which focuses on active investment managers. Pending due diligence approval by Global View, the winning strategy will be promoted to Global View's adviser base and the manager will receive an invitation to the firm's annual conference. Global View currently hosts three recent Shark Tank managers and has raised more than \$100 million in AUM for Shark Tank winners over the past two years.

Additional benefits to the winning firm include:

- Manager pass to attend and participate in 6 one-on-one meetings with asset allocators at the morning session of Hedge Connection Table Talks in NYC and

attend the afternoon session of Table Talks and the evening networking reception.

- Promotion to NAAIM membership during the competition, via a membership webinar, and in the NAAIM Active Manager publication
- Five presentation meetings with NAAIM member firms
- \$5,000 Cash Prize

Shark Tank is a rapid-fire competition of up to 10 finalists making 7-minute strategy presentations, followed by 5 minutes of questions from the judges and audience. Strategy performance data must be based on actual trading. The event is held at the close of NAAM's annual Uncommon Knowledge Conference, set this year for Scottsdale, Arizona, April 28 – May 1, 2019 at the DoubleTree Resort by Hilton Paradise Valley.

Launched in 2013, the National Association of Active Investment Managers (NAAIM) Shark Tank Competition provides exceptional exposure for actively managed investment strategies. Past winners include:

- 2018: Dave Moenning, Heritage Capital Research
- 2017: Rich Paul, Potomac Advisors
- 2016: David Bush, Alphatative LLC
- 2015: John McClure, ProfitScore Capital Management
- 2014: Len Fox, Scarecrow Trading

“Within six months of the competition, I had acquired eight new business relationships. I am pleased to report that my services are now promoted on four multi-manager platforms and I have a multitude of advisers to work with. I would encourage anyone looking to promote their business to participate in the NAAIM Shark Tank Strategy Competition.”

*David Moenning – 1st Place Winner – 2018
Chief Investment Officer, Heritage Capital Research*

(See rules page 10.)

NOW AVAILABLE FOR TRADING

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Communication services companies may be subject to the potential obsolescence of products and services, increasing competition, increasing costs and capital requirements, pricing pressures, shifting demographics, and federal and state regulations, which can negatively impact profitability. Companies in the communication services industry may be more susceptible to cybersecurity issues than companies in other industries, including hacking, theft of proprietary or consumer information, and disruptions in service.

Carefully consider the investment objectives, risks, charges and expenses of ProShares before investing. This and other information can be found in summary and full prospectuses. Read them carefully before investing. Obtain them from your financial advisor or broker-dealer representative or visit ProShares.com.

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Deadline is Nearing for Your Founders Award White Paper Submission

You can't win the \$5000 award if you don't enter!

Entries in the 2019 NAAIM Founders Award must be submitted electronically by Thursday, February 28, 2019 to: info@naaim.org to qualify for the competition. Awards will be announced by Monday, April 1, 2019.

The paper can be up to 30 pages and must include a 750-1000 word abstract. It should cover an innovative topic in the area of active investing, such as:

- a documented investing approach,
- an exploration into the validity of active investing,
- research in other issues related to active investing such as making investment decisions using technical analysis, quantitative analysis, etc.

Papers can also address related topics such as position sizing techniques, money management approaches, scaling into and out of trades, exit strategies, tax harvesting, execution, etc.

A jury of scholars and investment professionals will review entries and award the prize. The author of the winning paper will receive a \$5,000 cash prize and the opportunity to present at 2019 NAAIM Uncommon Knowledge conference. Domestic coach airfare, one night of lodging and conference registration is included for one author per winning paper.

Found at the end of this newsletter are competition rules and an application to enter. You still have one month to get your paper written and submitted. But time is running out!

Event Shares CIO REPORTS - Q1 Market Outlook

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Comey). The result could be mountains of information requests and hearings that clog the legislative calendar, which would stall Congress through 2020.

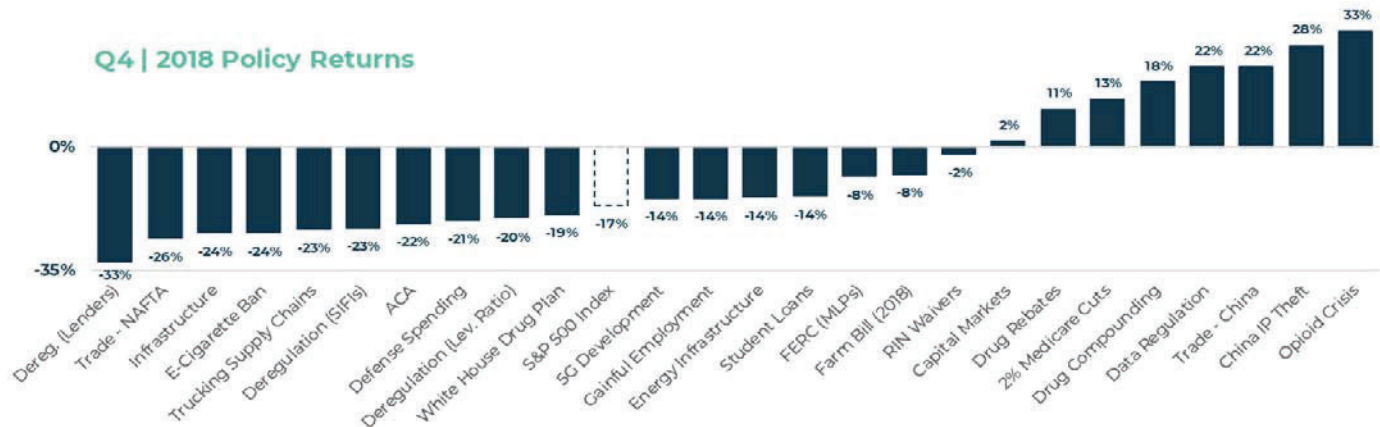
Where should investors look for policy-making in this environment? As we highlighted in our Q4 2018 outlook, government agencies play a significant role in setting policy. Due to the upcoming split Congress and potential for subpoena gridlock, we continue to believe investors should look outside of Congress to identify new policies over the next two years. Below are two policies not solely dependent on congressional action:

- 1. 5G Deployment:** A geopolitical battleground, with the U.S. and China racing to develop their respective 5G networks. The winner will likely set the technical standards for 5G, impacting the software and products used in such varied

items as Internet of Things products and autonomous vehicles. The Federal Communications Commission (FCC) is supporting the 5G rollout by freeing up spectrum and deregulating small cell deployment. In our view, the U.S. is in the early stages of a multi-year 5G buildout. The buildout will require significant investment in fiber infrastructure and communication equipment (e.g. small cells), which represents an additional revenue opportunity for the communications industry.

- 2. Infrastructure:** Indecision by Congress and the Federal government is pushing state governments and local voters to take matters into their own hands. For example, Los Angeles county voters overwhelmingly passed Measure M in 2016, which imposed a new \$0.005 sales tax and indefinitely extended an existing \$0.005 sales tax

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Global Investors Should Pay Closer Attention To Central Bank Balance Sheets

KRISHNAMURTHY KALYANAKRISHNAN

INVESTORS MAKE CAPITAL ALLOCATION DECISIONS with the expectation of making a financial return. In their investment process, investors use fundamental analysis or technical analysis or mix of both. However, rarely do investors factor in the size of central bank balance sheets in their investment decision-making process.

A central bank is an independent national authority that conducts monetary policy. Prior to the financial crisis, monetary policy mainly involved open market operations on short-term government securities to raise or to lower interest rates. Open market operations focused primarily on targeting interest rates and was less focused on the overall amount of reserves in the system. Hence, most investors would have fared well even if they hadn't factored in central bank actions in their decision-making process. However, things changed after the financial crisis.

Since the financial crisis, central banks have resorted to a number of non-standard measures to stabilize the global financial system. Global central banks conducted large-scale asset repurchases, also called Quantitative Easing (QE) and injected massive amounts of reserves into the banking system. The size of the balance sheets of many central banks has swelled since these banks started QE.

The Federal Reserve's balance sheet was around \$900 billion before the financial crisis and peaked at around \$4.5 trillion in 2018. Bank of Japan has been buying Japanese

government securities, equity ETFs, Japanese REITs, and corporate bonds and has taken its balance sheet size to almost \$5 trillion from nearly \$1 trillion in 2009. Balance sheet sizes of the European Central Bank and People's Bank of China have gone up significantly as well.

This increase in the size of central bank balance sheets has

clearly had an impact on every single asset class. Volatility has come down and almost all risk assets have risen in value.

S&P 500 began its long bull run in 2009. From figure 2 we see that the percentage increase in the S&P equity index from 2009 till its peak is almost equal to the percentage increase in the size of the Federal Reserve's balance sheet.

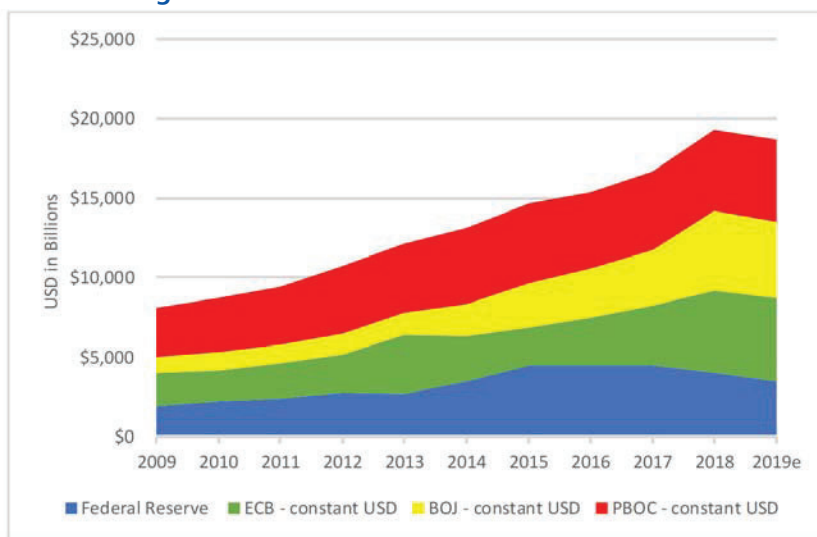
Bond prices have gone up and interest rate yields have collapsed. After coming down to 2% levels in 2011, the 10-year U.S. treasury yields have yet to go back above 3% on a sustained basis. In fact, despite the downgrade of U.S. government debt, yields have fallen. Yields elsewhere in the world are much lower as well. European and Japanese 10-year government bond yields are still closer to zero.

Real estate prices have gone up too. Prices in global cities such as New York, San Francisco, Vancouver,

Sydney, and London have reached dizzying heights. Also, prices in tier-2 cities and towns have gone up as investors have used cheap financing to buy investment properties.

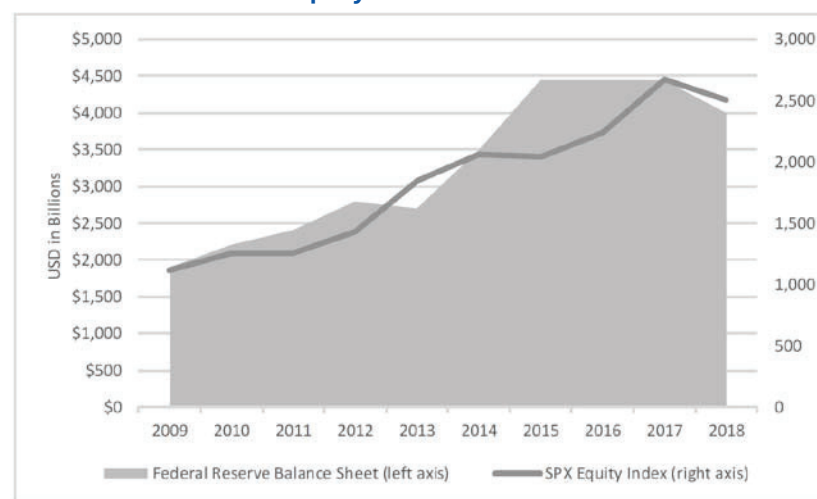
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Figure 1: Size of Central Bank Balance Sheets



Source: Bloomberg, Federal Reserve Bank of St. Louis

Figure 2: Federal Reserve Balance Sheet and S&P Equity Index Performance



Source: Bloomberg, Federal Reserve Bank of St. Louis

Global Investors Should Pay Closer Attention To Central Bank Balance Sheets

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Even private company and start-up valuations have gotten extraordinarily high. The flood of cheap capital has resulted in pension funds and sovereign wealth funds pouring money into venture capital firms. This has resulted in numerous start-ups joining the “unicorn club” – start-ups valued at \$1 billion or more.

Thus, we see that QE has had two major consequences:

1. Reduced interest rates globally
2. Pushed up global asset prices

However, in 2018, we saw a shift in a tide of global liquidity as central banks started reducing the size of their balance sheets. The Federal Reserve balance sheet size decreased at an increasing rate through 2018. As a result, interest rates started climbing up, volatility shot up and equity prices declined.

Now, as we enter 2019, it seems likely central banks will continue to decrease the size of their balance sheets.

The Federal Reserve has great influence over global monetary conditions. Hence, actions of the Federal Reserve have more impact on global asset prices than any other central bank. The size of Federal Reserve’s balance sheet currently stands at roughly \$4 trillion. The U.S. Federal Reserve plans to reduce the size of the balance sheet to roughly \$2.5 trillion by 2023. Beginning 2019, Bank of Japan might begin policy normalization as well. The Japanese central bank has plans to move away from its Negative Interest Rate Policy (NIRP) to Zero Interest Rate Policy (ZIRP). The European Central

Bank ended QE in December and will not grow its balance sheet in 2019. The PBOC is the only central bank that is most likely to expand its balance sheet. However, even the PBOC is constrained by concerns about leverage in the Chinese financial system.

Thus in 2019, on net, global central bank balance sheets are expected to shrink. The surprise would be if the Federal Reserve or Bank of Japan decides to reverse policy and provide additional stimulus.

However, it would be safe to assume that global economic and financial conditions need to deteriorate a lot for either the Federal Reserve or the Bank of Japan to provide additional stimulus.

If global central banks take away the punchbowl at a faster rate than what the market expects, then risk assets are vulnerable and investors need to brace for some pretty volatile times ahead. Bottomline, change in size of central bank balance sheet matters to asset returns.

Now more than ever, investors need to factor in the actions of global central banks in their decision-making process. Investors can choose to ignore this factor at their own risk

Author Krishnamurthy Kalyanakrishnan (KK) is a Managing Director with Iridian Asset Management. Prior to Iridian, KK was with HSBC and Prudential Financial. KK holds an MBA from New York University. He also has a Master of Science from the University of Cincinnati and a Bachelor of Engineering from Mumbai University.

Event Shares CIO REPORTS - Q1 Market Outlook

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originally set to expire in 2019. Measure M provides LA county's transit authority \$120 billion over the next 40 years to expand public transportation. Seattle voters also passed an infrastructure package, called Sound Transit 3, in 2016 to expand the light rail system, and airports are being updated, with Newark Liberty International approving a \$2.7 billion redevelopment plan and NY LaGuardia currently undergoing an \$8 billion renovation.

How are states and localities financing these projects?

According to a recent Congressional Budget Office (CBO) report, states and localities are utilizing federally supported mechanisms, such as tax-exempt bonds and direct federal credit programs, to finance infrastructure. Between 2007 and 2016, states and localities invested ~\$64 billion per year in infrastructure, including \$43 billion in tax exempt bonds annually. If you can look past Congress, there's infrastructure activity occurring. **The dollar amounts are small relative to President Trump's \$1.5 trillion infrastructure plan, but the revenues are material to project managers and raw material providers.**

Trade

In our view, trade will continue to impact markets during Q1 2019 as traders and investors react to daily headlines and create volatility. Jeff Miller, author of a *Dash of Insight*, recently wrote an article discussing the noise surrounding current U.S.-China trade negotiations. **Like Jeff, we are encouraged by recent developments, but remain realistic of what can be accomplished during the 90-day truce period.** If there are signs of a deal coming together, stocks with significant China revenue exposure could experience relative outperformance. We recommend investors not get caught up in the recent headline volatility.

In addition to China negotiations, **we expect the recently negotiated NAFTA agreement, European tariff negotiations, and Brexit negotiations to continue to impact markets as we enter in 2019.** Any sign of disagreement between the U.S.-Mexico-Canada delegations or within Congress could destabilize the interconnected North American supply chain and economy and impact companies with significant Canada and Mexico revenue. Brexit also continues to be a hurdle in Europe, with internal Great Britain deliberations increasing the risk of a "No Deal" with the European Union and creating continent wide chaos for supply chains and citizens.

Federal Reserve Tightening

In addition to trade, the Federal Reserve continues to have a significant impact on markets as it contemplates raising interest rates. While it's important to monitor the projected number of interest rate hikes in 2019, we believe investors

should take a longer-term view. **In our view, the Federal Reserve is signaling a contractionary monetary policy to combat recent expansionary fiscal policy by the Trump administration and Congress** (e.g. 2017 tax reform paired with increased government spending and deficits).

What does this mean for investors in the bigger picture? There is a structural change occurring in the markets. In our view, **investors should heed the Federal Reserve signal and review their current risk levels.**

Our View on Positioning

Investors should consider long-term thematic alpha exposure while reducing equity market (beta) exposure. We will look to continue lowering the beta of investment strategies on further market rallies. That said, we would likely maintain some below-market exposure as long-term growth fundamentals in the US still look very strong, but we feel we must respect the technical weakness.

Stay tuned for the Policy Tracker in late-January for some fresh single stock policy ideas.

A publication of EventShares - Policies Evolve. Companies Change. Markets React. For more information and policy research, visit EventShares.com.

Jon Clements is a Co-Founder of the firm and the President of the Board of Directors. Mr. Clements serves as the CEO overseeing product development, firm partnerships, fund operations of the Advisor and sits on the Investment Committee for the Funds. Before co-founding EventShares in 2017, Mr. Clements was with Goldman Sachs in New York City. Mr. Clements received a BSBA in Finance from the University of Missouri.

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President's Letter

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Which makes the comradery I have found at NAAIM so rewarding. The conference offers a very compact overload of information and nuggets that help my business for the rest of the year. I've explored different conferences over the years, but it's come down to where the only ones I consistently prioritize in my schedule are the NAAIM Uncommon Knowledge and Outlook conferences. I hope you agree.

So get your membership renewals in (or join NAAIM if you are not already a member for a reduced conference cost), make your hotel reservations and, start putting together the questions you would like to ask NAAIM members in person this April.

I look forward to seeing everyone at Uncommon Knowledge 2019. If this winter keeps up with cold and snow, it's also going to be great to get into Arizona's sunshine.

Have a good year ahead and good investing,

Sincerely,
Steve Williamson
NAAIM President 2018-2019

Welcome New Members

Regular Members

R. Scott Valenti
Archangel Investment Management
103 Towey Trail
Woodstock, GA 30188
(609) 792-1703

David Walter
Halbertstadt Financial Consultants, Inc.
50 North Tulane St.
Princeton, NJ 08542
(609) 921-0180

Krishnamurthy Kalyanakrishnan
Indian Asset Management
276 Post Road West
Westport, CT 06880
(203) 341-9017

Phil Lebkuecher
K.W. Gutshall & Associates
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(713) 817-1113

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Associate Member

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New York, NY 10013
(212) 702-1921

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Uncommon Knowledge National Conference

UNCOMMON KNOWLEDGE® IS THE NATION'S preeminent conference for the Active Investment Manager. With a wide variety of speakers and panelists, plus plenty of networking opportunities, it's no wonder that this conference has been around for more than 20 years. You won't want to miss these 3-4 days packed with information on trading techniques, risk management and investment management strategies, not to mention the latest in technology and marketing tips to run your practice.

Uncommon Knowledge 2019

April 28 – May 1
Scottsdale, AZ

DoubleTree Resort by Hilton Paradise Valley
5401 North Scottsdale Rd.
Scottsdale, AZ 85250

RESERVE YOUR HOTEL ROOM by calling the hotel direct at 1-480-947-5400. Mention NAAIM for the group discount. Or book online at: www.naaim.org



NAAIM Shark Tank Active Investing Strategy Competition Rules

Who May Participate:

All financial professionals managing an *active investing strategy** are welcome to enter. Note: The NAAIM Shark Tank is designed for non-institutional firms managing less than \$5 billion.

*Active investing strategies can take many forms. For the NAAIM Shark Tank Competition, any strategy not considered a passive approach may participate.

How To Apply:

Complete the NAAIM Shark Tank Competition Application and return to NAAIM:
[2019 Shark Tank ONLINE Application](#)

Deadline for Applications:

The deadline for applications to be submitted is **JANUARY 18, 2019**.

Preliminary Round of Competition (Online):

A preliminary round of competition will be held online via GoToWebinar at a pre-arranged time during January/February 2019.

Each competitor selected will make a 7-minute presentation (this is a hard deadline) to the NAAIM Shark Tank Committee, which will be recorded. A question/answer session with committee members may be conducted at a later date.

All preliminary round PowerPoint presentations must be submitted to the committee one week in advance of the scheduled presentation.

IMPORTANT: Only live, verifiable, real-money returns may be presented. Composite client returns are preferred where possible. In order to ensure consistency, returns are to be presented gross of management fees. Returns from databases such as Theta Research are considered live, real-money returns and may be mathematically adjusted to create gross of fee results. Hypothetical, back-tested, or “model” returns **are NOT permitted** to be presented in any fashion. Violation of this rule will result in immediate disqualification from the competition. If you have any questions regarding the use of return data, please contact the Shark Tank Committee.



National Association of
Active Investment Managers

FOUNDERS AWARD

FOR ADVANCES IN
ACTIVE INVESTMENT MANAGEMENT

Call for Papers

2019

Whitepaper Competition

The National Association of Active Investment Managers (NAAIM) was formed in 1989 as a non-profit association of registered investment advisers who provide active money management services to investors. The goal of the NAAIM members is to promote active investment management strategies as an alternative to passive allocation. NAAIM includes more than 130 individual and 200 member firms nationwide, managing an estimated \$32 billion. Associate members include mutual fund companies, ETF providers and a variety of other firms that provide professional services to RIAs.

FINAL PAPER (up to 30 pages) together with a required 750-1000 word abstract **must be submitted electronically to: info@naaim.org by Thursday, February 28, 2019** to qualify for the competition. Awards will be announced by Monday, April 1, 2019.

The submission of a paper for review means that the author certifies that the manuscript is not copyrighted, and consents to NAAIM's non-exclusive use of the paper. NAAIM will seek approval from authors before any publication of the paper.

www.naaim.org

\$5,000 Cash Prize to be Awarded for Best Paper

Paper Topics: The papers should cover an innovative topic in the area of active investing. This can be either a documented investing approach, an exploration into the validity of active investing, or research in other issues related to active investing such as making investment decisions using technical analysis, quantitative analysis, etc. Papers can also address related topics such as position sizing techniques, money management approaches, scaling into and out of trades, exit strategies, tax harvesting, execution, etc.

Who may submit: The competition is open to all investment practitioners, academic faculty and doctoral candidates in the field.

Selection Criteria: Papers must be of practical significance to practitioners of active investing. The prize will be awarded to a paper resulting from research into active investment management, which NAAIM broadly defines as investment strategies and techniques that improve upon the risk-adjusted return obtainable from a passive, buy-and-hold investment strategy. Many NAAIM members strive for consistent outperformance and focus on quantitatively or technically oriented investing. However, papers that explore other types of active investment management or issues germane to active investment management will also be considered.

A jury of scholars and investment professionals will review entries and award the prize.

Submissions: All submitted papers should be recent, unpublished and of a quality appropriate for publication in a peer-reviewed academic journal. **Inquiries and submissions should be electronically submitted to info@naaim.org** and the subject line should indicate "2019 Paper Submission." Papers should be numbered, double-spaced and readable in a PDF format and filed prior to the deadline.

Competition Rules

The National Association of Active Investment Managers (NAAIM) sponsors the Founders Award annually to seek out papers of academic quality that cover an innovative topic in the area of active investing. The following rules govern the submission, judging, ownership and awarding of the papers.

1. All decisions of the NAAIM Founders Award committee are final. Any occurrence that arises that is not covered in these rules will be adjudicated by the committee.
2. Papers will be judged by a panel selected by the NAAIM Founders Award committee. The prime criteria used in judging the papers are:
 1. Practical significance to practitioners of active investing
 2. Quality of exposition
 3. Analytical rigor
 4. Novelty of results
3. Papers should be submitted electronically in PDF format to info@naaim.org and the subject line should indicate "2019 Paper Submission." Please submit TWO copies of the paper: 1) Anonymous— with no reference of the author(s)' name or their affiliation with a company or university; 2) The paper should include the author(s) and affiliation with a company or university.
4. Papers should be 30 pages or less and include a separate required 750–1000 word abstract. Papers should be numbered, double-spaced, with a minimum font size of 14, and filed prior to the deadline.
5. By virtue of submission, the author certifies that the manuscript is not copyrighted, consents to NAAIM's non-exclusive use of the paper and abstract, and agrees to be bound by the rules set forth herein. NAAIM will request approval of the author prior to any publication of the paper.
6. Delivery of papers to NAAIM is the sole responsibility of the participants. Therefore, it is encouraged that they complete an "Intent to Submit" form that will allow NAAIM to contact them, if needed.

NAAIM will attempt to do so if the situation arises, such as a change to the competition, clarification of the rules, in the event that their paper does not arrive by the deadline at NAAIM headquarters to the specified email address, etc. An email confirmation of receipt of the paper will be sent by NAAIM within three days of submission. It is the author's responsibility to contact NAAIM at info@naaim.org prior to Thursday, February 28, 2019, in the event a confirmation is not received by the author in the 3-day time period.
7. Papers are due at NAAIM on or before midnight on Thursday, February 28, 2019.
8. The winners will be notified on or before Monday, April 1, 2019, and announced at the Uncommon Knowledge annual meeting.
9. The author of the winning paper will win a \$5,000 Cash Prize and the opportunity to present at the annual NAAIM conference. Domestic coach airfare, one night of lodging and conference registration is included for one author per winning paper only.



FOUNDERS AWARD

FOR ADVANCES IN ACTIVE INVESTMENT MANAGEMENT

Intent to Submit

Please submit your intent by January 31, 2019

- Please place me on the list to participate in the **FOUNDERS AWARD Competition**

The following information will only be used for the purpose of contacting participants with reminders or information about the contest. If more than one author, please include additional author(s)' names and emails, as well.

PLEASE PRINT OR TYPE

Name _____

Title _____

Company, University or Organization

Address _____

City _____ State ____ Zip _____

Email Address _____

Phone _____ Cellphone _____

How did you hear about the NAAIM Founders Award?

- Previous Competitor/Winner NAAIM New Member Orientation
- NAAIM Email/NAAIM News Academic Faculty
- LinkedIn Post Internet Blog/Bulletin Board
- NAAIM Event Other: _____

To Submit Your Intent by January 31, 2019:

Download or print this document. Complete the form on page 3 and then submit it to **NAAIM**. You can submit via:

Email: info@naaim.org (preferred)

Fax: 720-749-1367

Mail: NAAIM, 6732 W. Coal Mine Ave., Ste 446
Littleton, CO 80123

Please call 888-261-0787 with any questions.



888-261-0787 or
303-979-1280
Fax: 720-749-1367

www.naaim.org
info@naaim.org



Membership Application

How did you hear about NAAIM?

- RENEWING my membership
- NAAIM advertisement
- NAAIM direct mail
- Email promotion
- NAAIM conference or Workshop
- Other meeting or conference
- NAAIM website
- Referral
Name of Referral: _____
- Other _____

Contact Information

Please print or type:

Name _____
 First MI Last Suffix

Title _____

Company _____

Address _____

City _____ State _____ Zip _____ Country _____

Phone _____ Cell Phone _____

Email _____

Company Website Address: _____

AUM per latest ADV: _____

Additional Professional Information

What is your primary profession? (select one)

- Investment Advisor (Retail Clients)
- Investment Analyst/Research
- Technical Analyst
- Money Manager or Sub-Advisor
- Signal Provider
- Institutional Sales Representative
- Other _____

Firm Securities Registration Type?

- Registered Investment Advisor (Independent)
- Investment Advisor Representative with a Broker-Dealer
- Dually registered (Both of the Above)
- Registered Representative only (Series 7)
- Limited Securities License: Mutual Funds and Variable Annuities (Series 6)
- Not registered

Please provide your IARD or CRD registration # _____

Statement of Adherence

Membership in NAAIM shall constitute a continuing representation of the member to NAAIM that such member shall adhere to NAAIM's Articles of Incorporation, Bylaws, Code of Ethics and Fair Practices Policy ("Governing Documents"). I hereby affirm my receipt and understanding of the foregoing representation and by my signature below deliver this annual statement of adherence to the Governing Documents of NAAIM found at www.naaim.org.

Signature _____

Date _____

Membership Categories (select one)

NAAIM Membership Categories (select one):

Regular Member	<input type="checkbox"/> \$300 <input type="checkbox"/> \$750 - Up to 5 individuals employed by the same company can join as regular or special members.	Must be registered as an investment advisor with the Securities and Exchange Commission or with any state securities administration for a period of at least one year; regularly engaged in active investment management for individual retail client accounts; and subscribe to the NAAIM Code of Ethics and Fair Practices Policy
Special Member	<input type="checkbox"/> \$300 Membership must be approved by the NAAIM Board of Directors and will last for one calendar year.	Must be regularly engaged in active management for client accounts; subscribe to the NAAIM Code of Ethics and Fair Practices Policy.
Associate Member* Please check appropriate firm products or services offered: <input type="checkbox"/> Back Office Software Provider <input type="checkbox"/> Investment Software Provider <input type="checkbox"/> Mutual Fund <input type="checkbox"/> Variable Annuity <input type="checkbox"/> Trust Company <input type="checkbox"/> Investment Provider <input type="checkbox"/> Consultant <input type="checkbox"/> Other	<input type="checkbox"/> \$600 *Includes up to 5 company representatives Membership fee waived for National, Platinum, Gold and Silver NAAIM sponsors.	Persons providing products or services to, related to, or investments utilized by regular members. For example and without limitation, mutual funds, trust companies, broker dealers, investment advisors to mutual funds, newsletters, performance measurement firms, pension administrators, firms providing professional services to regular members and such other individuals or firms as the Board of Directors shall designate.

Additional applicants in group membership:

Name: _____ Email _____ Phone _____
 Name: _____ Email _____ Phone _____
 Name: _____ Email _____ Phone _____
 Name: _____ Email _____ Phone _____

Payment Details

Return this form completed with credit card information,
 or a check made payable to NAAIM and email, fax or mail to:

NAAIM
 6732 W. Coal Mine Ave., #446 • Littleton, CO 80123 • info@naaim.org • fax: 720-749-1367

Check enclosed payable to NAAIM

Charge to ___ VISA ___ MasterCard or ___ Amex

Card Number _____ Exp. Date _____

Signature of Card Holder _____

Credit card billing address:

Address _____

City _____ State _____ Zip _____

Membership dues are for one calendar year and will not be pro-rated. A link to activate your membership will be emailed to you upon approval of your application and receipt of your dues payment. If you have any questions, please contact Susan Truesdale at info@naaim.org or 888-261-0787.

NAAIM Associate Membership Application

**Associate Member
Dues: \$600**

- Dues are included with National, Platinum, Gold and Silver Sponsorship packages
- Membership is held by the firm.
You are permitted to have up to 5 member contacts.

Referred by _____ Date _____
(Please Print)

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Primary Company Contact Name _____

Primary Company Title: _____

E-Mail Address: _____

Web Site Address: _____

Additional Contacts (please print)

Name _____ Title _____ Email _____ Phone _____

Name _____ Title _____ Email _____ Phone _____

Name _____ Title _____ Email _____ Phone _____

Name _____ Title _____ Email _____ Phone _____

Name _____ Title _____ Email _____ Phone _____

The following Statement of Adherence must be signed for membership approval.

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Membership in NAAIM shall constitute a continuing representation of the member to NAAIM that such member shall adhere to NAAIM's Articles of Incorporation, Bylaws, Code of Ethics and Fair Practices Policy ("Governing Documents"). I hereby affirm my receipt and understanding of the foregoing representation and by my signature below deliver this annual statement of adherence to the Governing Documents of NAAIM found at www.naaim.org.

Signature _____ Date _____

Return this form completed with credit card information, or a check, payable to NAAIM and fax or mail to:

NAAIM
6732 W. Coal Mine Ave., #446
Littleton, CO 80123

888-261-0787 • (Fax) 720-749-1367
Info@naaim.org • www.naaim.org

- Check enclosed payable to NAAIM
- Charge to ___ VISA ___ MasterCard or ___ Amex

Card Number _____

Exp. Date _____

Signature of Card Holder _____

Credit card billing address if different from the company address:

Street _____

City, State, Zip _____

Associate Member Type (please check appropriate listing and explain in further detail)

Firm Name: _____

Product or Service Offered:

- Back Office Software Provider
- Investment Software Provider
- Mutual Fund or Variable Annuity
- Trust Company
- Investment Provider
- Consultant
- Other _____

Description of Services (100 words or less): _____
