Alpha Convergence

MARK TENNENBAUM / NEW RECORDED NARRATION / VERSION 16

Finding an edge in the stock market is very hard. At best you can build a temporary statistical advantage or what we call an information edge. Ours typically lasts about 90 days and then it fades.

Alpha Convergence crosses two independent models, one forward looking and one backward. When they agree we have found an information edge or evidence that a stock is more likely than the average stock to outperform over the next 90 days.

We hold 22 stocks in equal weight, two in each of the 11 economic sectors. Each stock has a separate selection with its own edge so that a bad event at one company hits just the one position and not the whole portfolio.

While this diversification cannot limit market risk, it does limit company events from infecting the larger set of holdings.

FlightDeck is our own monitoring system. It tracks volatility, reads the market regime, and measures our market exposure so we act on evidence over emotion or what we call applied behavioral finance for portfolio managers.

Here is the live record since inception net of fees measured over the same period as the equal weight S&P 500 also known as the RSP and achieved with less market exposure than that benchmark.

See the evidence for yourself in the Alpha Convergence white paper.

Closing disclosures

ON SCREEN, NOT NARRATED / DRAFT FOR CLIENT REVIEW

All investing involves risk, including possible loss of principal. Past performance does not guarantee future results. The live record is short. Statistical significance describes historical results; it is not a forecast or guarantee. Concentration and model risks remain.

Performance snapshot: June 27, 2025–August 31, 2026. Advisory fees range from 1–2% annually. Shown net returns deduct the maximum 2% annual model advisory fee, applied monthly, plus transaction costs. Actual fees vary by mandate. RSP: Invesco S&P 500 Equal Weight ETF, a comparison benchmark. Beta and other risk measures can change.

Full methodology, fee information and risk disclosures: https://lul-lc.com/flight-club/ac-white-paper.html

Dated graphics in the film

Since inception: AC gross +58.46%, AC net +54.55%, RSP +22.71%. One-year AC net return: +42.85% (252 trading days). Snapshot through August 31, 2026.

Historical AC beta: 0.860 versus RSP and 0.779 versus SPY. Each benchmark has a self-beta of 1.000. Both comparisons use the same 296 daily observations from June 27, 2025 through August 31, 2026; AC returns are gross of advisory fees. Historical sensitivity does not limit losses.