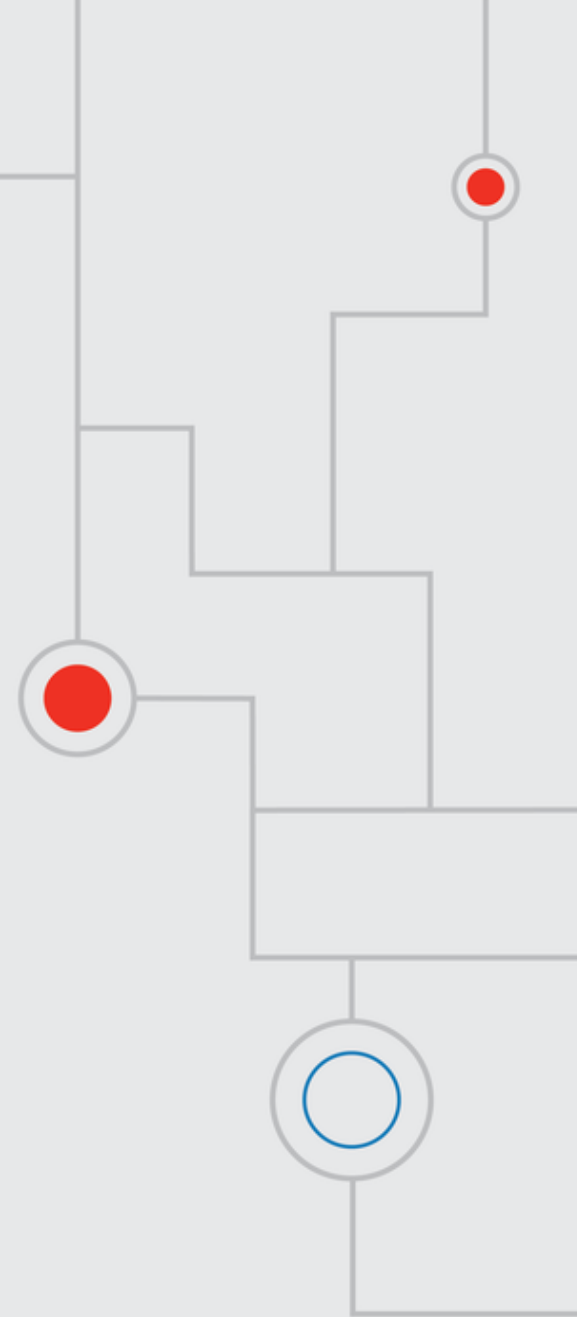




L2Q

*Alternative Data within the Investment
Research Process*

JUNE 2017



Agenda



Alternative Data and the Buy-side Essentials

What is 7Park Data?

- Alternative Data Portfolio
- Platform and Technology

Alternative Data Product Development

- Process Overview
- Goals and Sample Output: Building Permits Data

Generating Alpha

- Example 1: US Census Building Permits Survey
- Example 2: AutoZone (AZO)
- Example 3: Pandora Media (P)

Alternative Data → Key Considerations



1. QA, Automation and Accuracy
 - “Productizing” Alternative Data includes QA and Automation which are necessary to ensure accuracy-at-scale
2. Workflow
 - Successful Alternative Data strategies require adjustments to Workflow, including new skills, tools and technologies
3. Time
 - While Accuracy is critical (and primary focus of Backtesting), Time is more significant (and less appreciated) contributor to realizing Alpha

7Park Data is a **Platform** (people, tools and tech) which helps 100+ Buy-side clients successfully execute an Alternative Data strategy

7Park Data: Largest Alternative Data Portfolio



Company and Sector Benchmarking

Daily Indices

50+ Leading Indicators (KPI's) for 10K+ Companies

US & International Markets



APP

Data: On device monitoring, Usage and revenue

MERCHANT

Data: Billions of eCommerce purchases



TRAFFIC

Data: Internet and Network traffic monitoring

PRODUCT

Data: Billions of eCommerce receipts



WEB

Data: Open data aggregation, Web

HOUSING

Data: Open data aggregation, Government



SPENDING

Data: Billions of Card transactions

HEALTHCARE

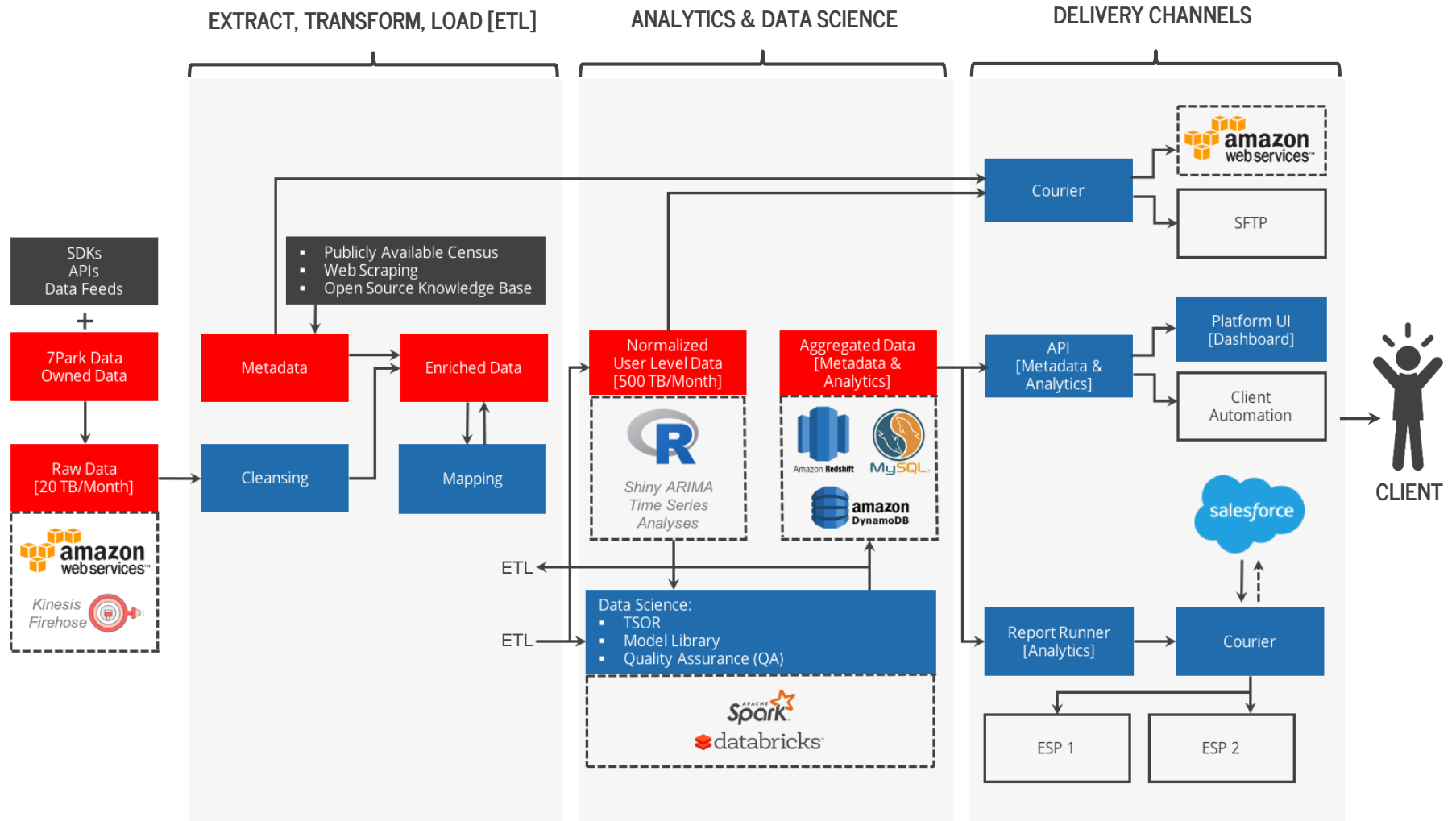
Data: Aggregated patient treatments



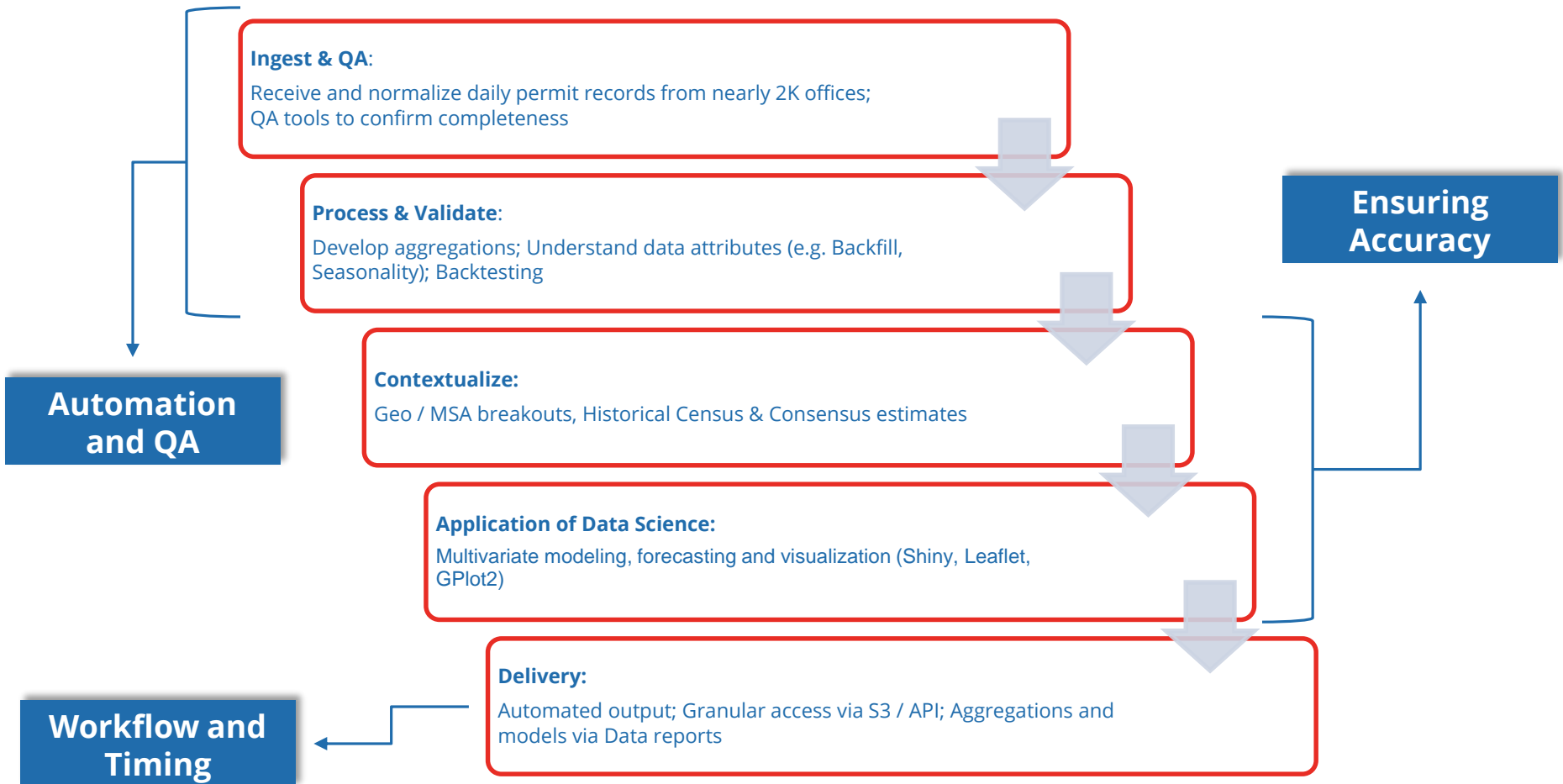
7Park Data: Platform Overview



■ PROPRIETARY DATA
 ■ PROPRIETARY SERVICE
 ■ EXTERNAL DATA
 EXTERNAL SERVICE



Productizing Alternative Data: Housing Example



Product Output: Housing Example

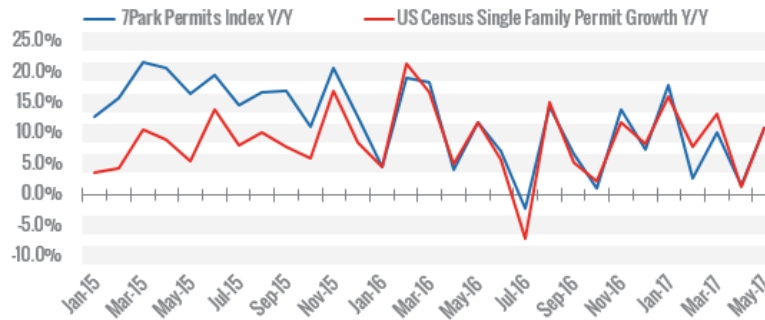


**7PARK PRODUCT GOALS:
ACCURATE | TIMELY | PREDICTIVE | EASY TO CONSUME**

Period	Monthly Aggregated Permit Data	
	7Park Data	US Census
Month	New Permits Forecast	New Permits
01-2014	19.0	42.7
02-2014	19.3	42.4
03-2014	22.9	52.8
04-2014	25.3	59.8
05-2014	24.7	60.0
06-2014	26.9	62.3
07-2014	25.8	61.0
08-2014	23.9	56.3
09-2014	23.1	56.0
10-2014	24.0	56.9
11-2014	18.2	42.8
12-2014	21.6	47.3
01-2015	21.4	44.2
02-2015	22.3	44.2
03-2015	27.9	58.4
04-2015	30.5	65.2
05-2015	28.8	63.2
06-2015	32.2	71.0
07-2015	29.5	65.9
08-2015	27.9	62.0
09-2015	27.0	60.3
10-2015	26.7	60.3
11-2015	21.9	50.0
12-2015	24.4	51.3
01-2016	22.4	46.2
02-2016	26.6	53.6
03-2016	32.9	68.1
04-2016	31.7	68.4
05-2016	32.2	70.6
06-2016	34.5	75.0
07-2016	28.8	61.2
08-2016	31.9	71.3
09-2016	28.7	63.4
10-2016	26.9	61.6
11-2016	24.9	55.9
12-2016	26.2	55.5
01-2017	26.4	53.6
02-2017	27.3	57.8
03-2017	36.2	77.1
04-2017	32.2	69.2
05-2017	35.7	78.3

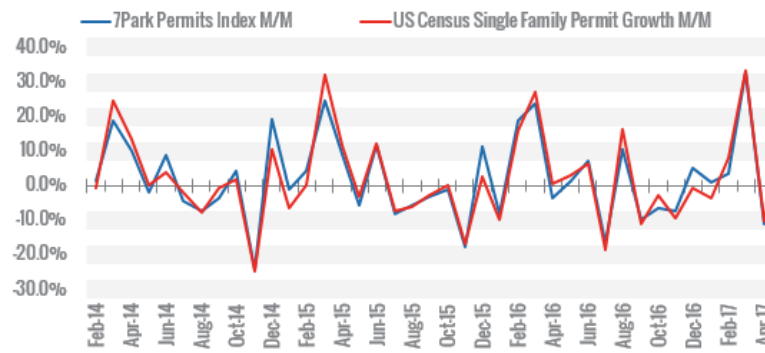
7PARK DATA HOUSING INTEL

BACKTEST Y/Y



7PARK DATA HOUSING INTEL

BACKTEST M/M





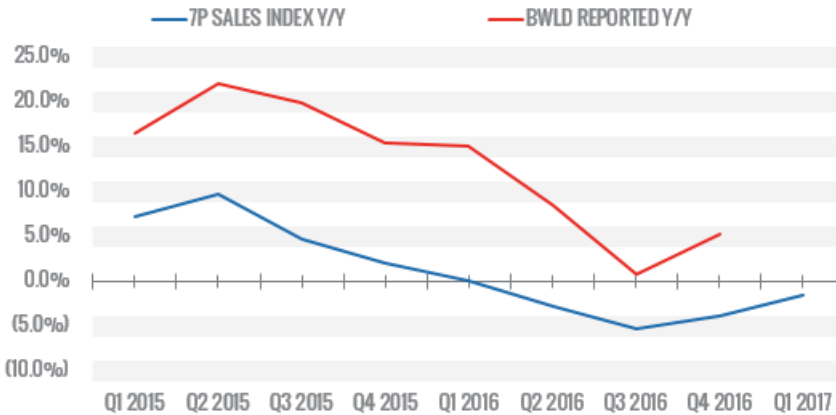
Accuracy Is Critical

- Buy-side primarily focused on Correlation and R-squared (with good reason)

Time should be an equal or greater measure of utility when evaluating alpha generation potential

7PARK DATA SPENDING INTEL

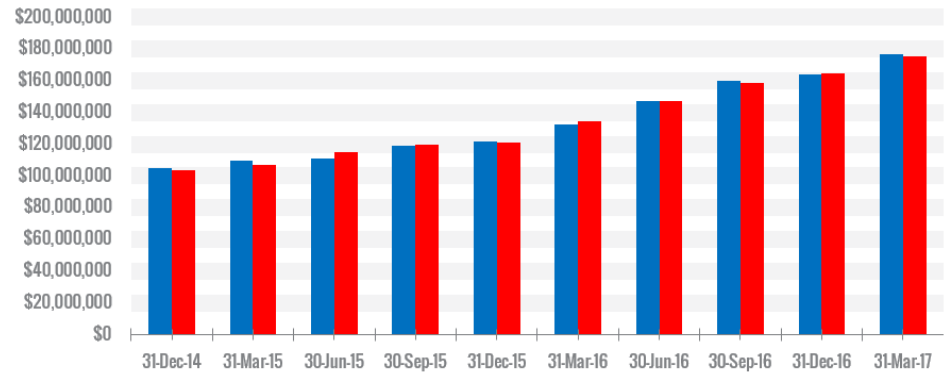
BWLD REVENUE BACKTEST



7PARK DATA WEB INTEL

ZG REVENUE BACKTEST

7PARK REVENUE ESTIMATE ZILLOW REPORTED REVENUE



Time Is Alternative Data “Killer Feature”



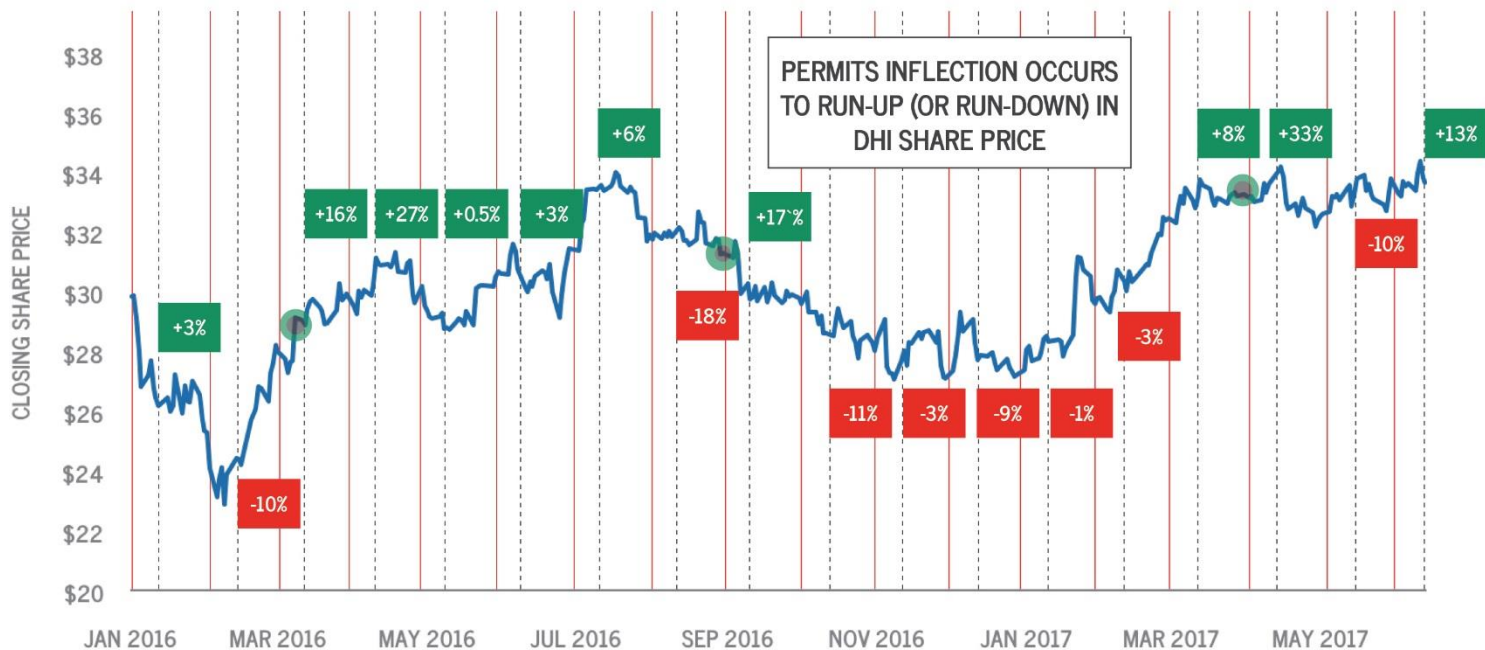
Importance of Time is less well understood contributor to realizing Alpha

DHI: PERMITS GROWTH ANTICIPATES SHARE PRICE MOVEMENTS

7PARK DATA PERMITS INDEX IS A FORWARD-LOOKING INDICATOR PUBLISHED ~12 DAYS PRIOR TO US CENSUS

— 7PARK DATA CENSUS NUMBER RELEASE DATE - - - ACTUAL US CENSUS NUMBER RELEASE DATE — DHI CLOSING SHARE PRICE

NOTE: Percentages are Census month-over-month change in unadjusted new permits

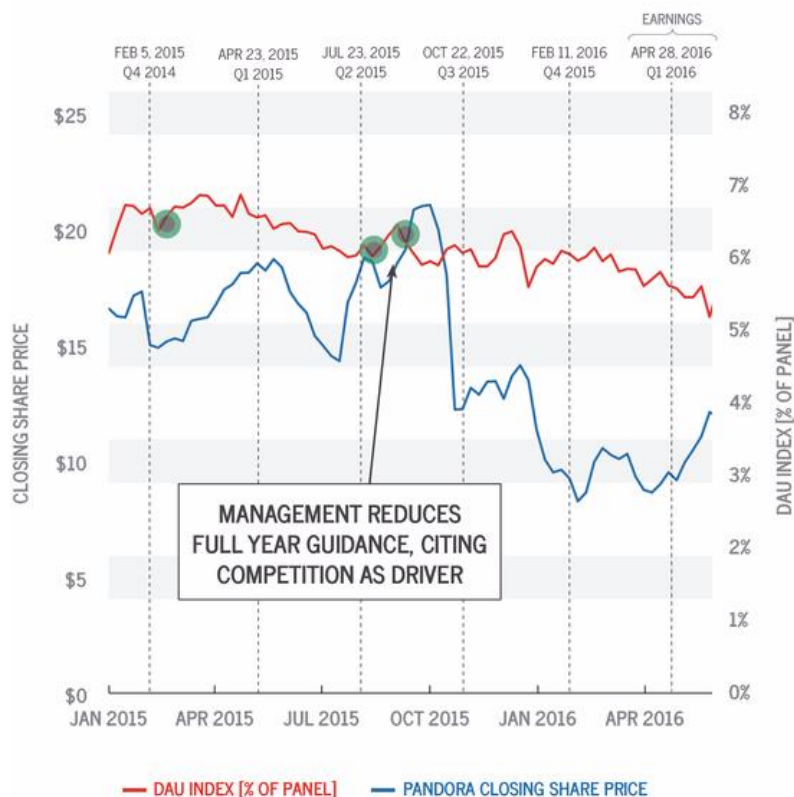


Examples 2 and 3: Alternative Data in Practice



P: COMPETITION NEGATIVELY IMPACTS USER GROWTH & SHARE PRICE

7PARK DAU INDEX IS A FORWARD-LOOKING INDICATOR



AZO: BELOW CONSENSUS SALES RESULTS NEGATIVELY IMPACTS SHARE PRICE

7PARK SALES INDEX IS A FORWARD-LOOKING INDICATOR



Thanks and Get in Touch!



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