Pinno Capital

company profile

Quantitative Research

Pinno Capital establishes its investment discipline through quantitative research, employing empirical analysis based on market data, fundamental metrics, and multidimensional factors. All strategies undergo statistical significance testing, historical backtesting, and out-of-sample validation to ensure replicability and economic validity of the findings.

systemative method

The company employs an end-to-end systematic approach to manage market risks, integrating automated processes throughout the entire workflow—from signal generation and portfolio optimization to trade execution—thereby eliminating human intervention biases and ensuring stable strategy performance and continuous iteration across various market cycles.

risk management

Risk management upfront is integrated throughout the entire strategy development lifecycle, encompassing volatility control, maximum drawdown constraints, factor exposure limits, extreme scenario stress testing, and real-time anomaly alerts, ensuring the portfolios structural resilience in black swan events.

Denver, Colorado

Headquartered in Denver, Colorado (1312 17th Street, Suite 692), the company is located at a key western fintech hub, adjacent to the National Center for Atmospheric Research and the University of Colorado School of Engineering, enabling sustained talent acquisition and industry-academia collaboration in data science and computational finance.

Company Overview

data

Building on high-quality, multi-source heterogeneous data, the company integrates global stocks, ETFs, futures, macroeconomic indicators, and alternative data (such as satellite imagery and online public sentiment). After rigorous cleaning and standardization, this data is consolidated into a unified data lake, enabling comprehensive strategy backtesting and real-time monitoring.

model

All investment models are constructed based on rigorous statistical and machine learning principles, emphasizing interpretability and generalization capabilities while rejecting "black-box" predictions. The model inputs, parameter settings, and output logic are fully documented and subject to quarterly independent review.

discipline

The investment philosophy is characterized by strict adherence to predefined rules in executing buy/sell orders, rebalancing, and risk management responses; it prohibits all forms of subjective adjustments or ad hoc modifications. The annual strategy execution deviation rate remains below 0.3%, significantly outperforming the industry average.

risk

Risk-driven management is Pinno Capitals core operational principle. From the outset of strategy development, a clear risk budget is established—including VaR limits, tail loss thresholds, liquidity discount tolerance, and cross-asset correlation constraints—to achieve a structured alignment between risk and return.

about Pinno

Financial Research

This approach deeply integrates financial theories (such as the Capital Asset Pricing Model [CAPM], the Fama-French multifactor model, and behavioral finance) with empirical research, focusing on identifying sources of market inefficiencies, attributing factor attenuation effects, and designing cyclical adaptation mechanisms to establish a dynamically evolving knowledge graph.

Statistical Modeling

Robust signal models were constructed using methods such as time series analysis, panel regression, Bayesian inference, and causal inference. All models passed multiple robustness tests (including rolling window validation, subsample splitting, and pseudo-random disturbance testing), ensuring that statistical conclusions are independent of specific sample periods.

Investment Discipline

Investment discipline is embedded in organizational culture and institutionalized constraints: all portfolio adjustments require dual review plus automated compliance verification; any strategy suspension or parameter modification must generate a written post-action report, which is simultaneously updated on the client portal for access.

computing technology

A self-developed low-latency quantization platform supporting a Python/R/C++ hybrid programming architecture, featuring an integrated distributed backtesting engine (capable of processing tens of thousands of test cases daily), GPU-accelerated computation, and Kubernetes containerized deployment to ensure both research efficiency and production consistency.

Mission and Vision

scientific decision making

Employing scientific methods to enhance investment decision quality, we establish a closed-loop verification system encompassing hypothesis formulation, data validation, model development, portfolio implementation, and performance attribution—eliminating reliance on empiricism or intuition—and ensuring every decision is traceable, auditable, and falsifiable.

Risk Protection

Risk discipline safeguards long-term capital not only by monitoring volatility and drawdown values, but also by thoroughly analyzing risk sources—including leverage transmission pathways, liquidity stratification structures, and cross-market contagion effects—thereby establishing a four-stage proactive protection mechanism: perception, assessment, response, and remediation.

Maintain discipline

Maintaining strategic consistency and execution stability in complex markets is achieved through automated trading gateways and risk control circuit-breaker modules, ensuring the portfolio strictly adheres to predefined rules even during sudden liquidity declines, price gaps, or market shocks, thereby preventing human-induced panic or speculative trading.

Reduce deviation

Systematically mitigate cognitive bias impacts by isolating researchers from portfolio managers through blind testing mechanisms, employing A/B strategy pools for comparative validation, and utilizing third-party attribution tools for cross-validation—all aimed at minimizing behavioral biases such as confirmation bias, anchoring effects, and overconfidence.

Investment Philosophy

01

regularization

All investment decisions must be translated into a clear, unambiguous, and programmable set of rules that encompasses signal trigger conditions, position calculation formulas, stop-loss logic, rebalancing frequency, and exception handling procedures, eliminating ambiguous wording and discretionary space.

02

Evidence-based

Each policy proposal must be grounded in robust empirical evidence: including at least 15 years of cross-cycle backtesting, over three rounds of out-of-sample rolling validation, and simulations under five distinct stress scenarios, accompanied by statistical power analysis and p-value correction reports; conclusions derived solely from data mining should be rejected.

03

Can be reviewed

The entire investment process maintains a complete digital trail: from raw data versions and model code hash values to portfolio snapshots, transaction records, and slippage logs—all supported by second-level traceability and discrepancy comparison, enabling precise identification of root causes for any performance deviations.

04

Long-termism

We emphasize compound interest accumulation and risk-adjusted returns (e.g., Calmar ratio, Sotino ratio) while rejecting short-term ranking-driven approaches; the core strategy maintains an average holding period exceeding 24 months and keeps the annualized turnover rate below 1.8 times, significantly lower than the industry average for active equity funds.

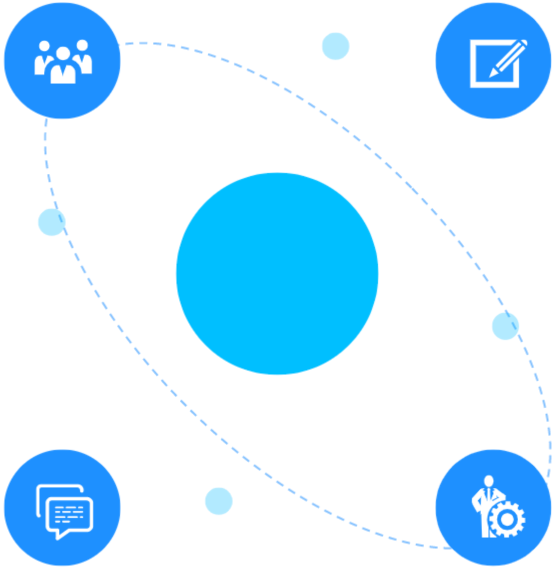
Research Closure

DA

Establish a multi-tiered data collection network covering major global markets, processing over 20 TB of structured and unstructured data daily. Intelligent quality probes automatically identify missing, abnormal, or drifted fields, triggering either manual review or upstream retransmission mechanisms.

Strategy Research

Strategic research begins with falsifiable hypotheses (e.g., "Companies with high ESG ratings exhibit lower beta during periods of rising interest rates"). After factor construction, IC sequence analysis, group backtesting, and economic logic validation, only approximately 12% of the initial hypotheses advance to subsequent validation stages.



Combination Construction

The portfolio construction employs a multi-objective optimization framework to achieve a Pareto optimal solution among expected returns, risk contribution, factor orthogonality, transaction costs, and regulatory constraints. The weight allocation must simultaneously satisfy the Sharpe ratio improvement, maximum drawdown reduction, and industry concentration threshold requirements.

modelling verification

Model validation follows a three-phase admission process: Phase 1 involves historical backtesting (including survivor bias correction); Phase 2 employs forward simulation (Out-of-Sample Walk-Forward); and Phase 3 entails small-scale live sandbox testing (lasting ≥3 months with zero capital loss).

Strategy System

multiple-factor

The risk parity strategy spans four major asset classes—equities, bonds, commodities, and gold—with dynamic allocation based on the inverse volatility index and correlation matrix. Over the past eight years, its annualized volatility has remained at 6.1% ± 0.3%, delivering an annualized return of 7.9% and a Sharpe ratio of 1.29, significantly outperforming traditional 60/40 portfolios.

Trend Tracking

The multifactor stock selection strategy integrates six dimensions: value, momentum, quality, low volatility, earnings sustainability, and valuation dispersion. Each factor undergoes independent screening and orthogonalization, yielding a composite signal that achieved an annualized excess return of 4.2% in the U.S. stock market over the past decade, with an information ratio of 1.37.

Index Enhancement

The trend-tracking strategy employs an adaptive multi-period price momentum and volatility filtering mechanism to implement cross-product momentum rotation across commodity, bond, and stock index futures markets, achieving a five-year annualized return of 7.8%, maximum drawdown of 12.3%, and a win rate of 58.6%.

Risk Parity

The index-enhancing strategy strictly controls tracking error (annualized ≤1.2%) by employing refined stock selection, industry deviation constraints, and ESG integration factors, achieving outperformance of the benchmark for 42 consecutive months in the S&P 500 Enhanced Portfolio with a cumulative excess return of 19.4%.

Combination Construction

investment objective

Each accounts investment objectives are tailored with clearly defined quantitative metrics: annualized target return ranges (e.g., 4–7%), downside risk limits (e.g., monthly VaR ≤ 2.5% at 95% confidence), liquidity contingency days (≥15), investment horizons (3–10 years), and ESG preference levels.

Strategy Filter

The strategy selection employs a three-tier funnel approach: The first tier eliminates redundant strategies with a correlation coefficient>0.6; the second tier evaluates capacity suitability (each strategy must support a maximum AUM of at least three times client assets); the third tier conducts stress scenario penetration tests, including combined scenarios such as the 2008 crisis and the 2020 liquidity crunch.

Risk Budget

The risk budget is decomposed into four dimensions—factor level (e.g., value exposure ±15%), asset class (e.g., equitys risk contribution ≤60%), position concentration (weight per security ≤1.2%), and tail risk (CVaR@99% ≤ client tolerance threshold)—and monitored dynamically.

Dynamic Adjustment

Dynamic adjustment employs a dual mechanism of "threshold triggering + periodic calibration": immediate rebalancing occurs when any risk exposure exceeds predefined thresholds (e.g., industry deviation reaching ±8%); comprehensive portfolio optimization is performed at the end of each quarter based on the latest volatility matrix and factor congestion report.

risk management

01

Governance Compliance

Establish a three-tier governance structure: the Board of Directors shall establish a Risk Management Committee; the Compliance Officer reports directly to the CEO; front-line investment research teams shall have designated compliance liaisons; all disclosure documents are synchronized in real time via the SEC IAPD system, and major conflicts of interest matters require mandatory dual-signature disclosure.

02

model risk

Model risk management covers the entire lifecycle: the data layer implements integrity validation and freshness alerts; the algorithm layer performs parameter sensitivity scans (±20% perturbation testing); and the application layer deploys a model health dashboard that automatically identifies declining performance signals and triggers manual review processes.

03

Combined Risk

The composite risk monitoring system provides real-time tracking of 27 key indicators, including rolling 60-day volatility, rolling 90-day maximum drawdown, industry/styling factor net exposure, liquidity-weighted concentration (LWC), and tail dependence coefficient.

04

liquidity risk

Liquidity risk management is integrated throughout the entire transaction lifecycle: pre-trading, during trading, and post-trading; it estimates market shock costs before trading (based on order book depth and historical slippage models); enables intelligent order splitting using TWAP/VWAP during trading; and evaluates actual liquidity losses post-trading to inform strategy capacity assessments.

Technology Platform

data handling

The self-developed data hub supports PB-level storage and millisecond-level queries, featuring over 300 standardized data adapters that automatically handle time zone alignment, currency conversion, dividend adjustment, and financial report lag compensation, completing an average of 120,000 data quality validation tasks daily.

Factor Library

The factor library contains 1,842 operational factors (including 867 original factors), each labeled with calculation logic, economic significance, decay curve, and applicable markets. It supports factor combination searches, correlation heatmaps, and cross-market migration testing, with factors updated no more than every 72 hours.

combinatorial optimization

The combinatorial optimization engine supports nonlinear constraints and integer programming, capable of solving problems with tens of millions of variables—including 2,000 securities and 15 types of hard constraints (such as ESG score thresholds, short-selling bans, and industry caps)—within 5 seconds, achieving a solution accuracy of 1e-6.

Risk Monitoring

The risk monitoring platform delivers 24/7 real-time visibility, integrating VaR/CVaR calculations, stress testing sandboxes, factor attribution engines, and AI-based abnormal transaction detection. It automatically triggers tiered alerts (via email, SMS, or DingTalk) when key risk metrics exceed thresholds, with a response latency of <800 ms.

Our Services

Comprehensive Management

We offer comprehensive delegated quantitative portfolio management services covering multi-factor stock selection, ETF enhancement, trend tracking, risk parity, and multi-asset macro strategies. Clients can choose from preset portfolios or customized plans based on their risk preference (conservative/balance/aggressive), with a minimum investment of $250,000.

Strategy Research

We provide strategic research outsourcing services for institutional clients, covering areas such as equity long/short strategies, statistical arbitrage, event-driven analysis, and volatility surface modeling. Deliverables include reproducible code, comprehensive backtesting reports, stress test results, and launch feasibility assessments, with a typical delivery cycle of 8–12 weeks.

risk analysis

We provide independent third-party portfolio diagnosis services, utilizing a proprietary risk attribution engine to analyze factor exposure drift, style drift, implied leverage changes, and tail risk accumulation, and issue a bilingual (Chinese-English) Portfolio Health White Paper with improvement recommendations.

Wealth Planning

By integrating customer lifecycle, tax structure, and estate arrangements, we develop a multi-account coordinated long-term wealth planning solution that incorporates target-date fund logic, tax profit/loss harvesting mechanisms, cross-account risk hedging, and supports dual-currency (USD/RMB) asset allocation modeling.

Customer Value

Market Noise

Transform complex market noises—such as social media sentiment, short-term news spikes, and analyst rating fluctuations—into structured signal inputs. Utilizing noise removal filtering and event impact attenuation models, this approach safeguards clients from letting irrelevant information disrupt their decision-making process.

Transparent Rule

All strategy logic, portfolio compositions, trading records, and risk exposures are displayed in real-time on the client-specific portal, enabling detailed breakdowns of individual factor contributions, transaction cost allocations, and stress test simulations—completely eliminating information asymmetry barriers.

Robust Risk Management

Robust risk control is implemented through a "defense-first" design: the portfolios default configuration includes a 20% cash-equivalent buffer; all strategies feature built-in automatic position reduction triggers (e.g., activating 50% position protection when volatility exceeds 3σ); and manual circuit-breaker authorization channels remain available during extreme market conditions.

Consistent over time

By systematically standardizing investment practices, the average annual strategy deviation of client portfolios remains below 0.7%, significantly outperforming the industry average of 3.2%. Over the past five years, customer retention has reached 89.4%, with renewal rates exceeding 95% for three consecutive years—demonstrating the trust-building and behavioral consistency fostered by a disciplined framework.

Governance Management

client

As the principal, the client clearly defines their investment objectives, risk tolerance, liquidity requirements, and ESG preferences, grants investment management authority through an electronic signature agreement, retains full decision-making power over the account throughout the process, and maintains the right to redeem funds at any time.

Investment Advisor

As an investment advisor, Pinno Capital is responsible for providing research recommendations, managing portfolios, and overseeing risks. All operations are fully traceable, with regular submission of Portfolio Performance and Risk Review Reports. Significant strategic adjustments are communicated to clients in writing at least five working days in advance.

deposit

Client assets are independently held in custody by SIPC-member securities firms (such as Interactive Brokers and Charles Schwab) or licensed trust companies; Pinno Capital does not have authority to transfer assets. The custodians conduct daily account reconciliations, submit monthly reports, and undergo joint audits by the SEC and FINRA.

market house

Transactions are executed by directly connecting multiple liquidity providers (LPs) to the exchanges dark pool, utilizing the Smart Order Routing (SOR) algorithm for optimal matching. All settlements are handled by custodians, with Pinno Capital not involved in clearing or settlement processes.

Regulatory Information

SEC Declaration

Pinno Capital is registered with the SECs IAPD system as an Exempt Reporting Adviser (ERA), with CRD number 338999 and SEC File No.802-134644; its filing status remains active, and all disclosure documents are available for verification at https://adviserinfo.sec.gov.

FinCEN register

The company has completed initial registration as a FinCEN Monetary Service Business (MSB) under registration number 31000308517030. Its registered scope includes foreign exchange dealers and money transfer service providers; this registration does not cover asset management activities nor confer SEC registration status.

ERA status

ERAs identity confirms compliance with the exemption provisions of the Dodd-Frank Act (e.g., when managing assets under $150 million and all clients are qualified investors), requiring quarterly position disclosures (Form 13F-HR) and annual compliance reporting obligations, though it does not qualify as a SEC-registered investment advisor.

Important Notes

An ERA filing does not constitute SEC approval, endorsement, or guarantee of the companys qualifications; FinCEN MSB registration does not replace state-level licenses; and SIPC coverage only applies to securities losses resulting from a custodian institutions bankruptcy, excluding losses due to market downturns, strategy failures, or exchange rate fluctuations.

Our Commitment

Customer Benefits
We always prioritize customer interests, strictly adhere to applicable fiduciary duty standards, and transparently disclose all fee structures in ADV Part 2A—with no hidden charges, advance performance-based payments, or interest-sharing arrangements with third parties.

data driven
All major decisions (e.g., strategy launches, portfolio adjustments, risk control threshold revisions) must be based on data evidence rather than subjective judgments. Decision meeting minutes must include screenshots of original data, statistical test outputs, and model version numbers, and shall be archived for at least seven years.

risk management
We treat risk management as an unwavering priority, allocating 18% of annual revenue to upgrading risk control systems and building stress testing infrastructure. Third-party audit firms are engaged to conduct annual comprehensive reviews of both model risks and operational risks, with summaries made publicly available.

Discipline Framework
Through codified rules, automated enforcement, and mandatory review mechanisms, an unbreachable disciplinary framework has been established; any employee violating procedures triggers a four-tier accountability system (warning → suspension → audit → dismissal), with a zero violation rate in the past three years.