

## Veteran quant opens new strategy to outside investors

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By Susan Barreto



After 40 years, Robert Zuccaro has seen a lot of quantitative strategies come and go, but his latest creation holds some of the strongest quant research that he has ever created.

“What makes our approach so powerful is our ability to strip out capital spending when determining a firm’s real profit potential,” said Zuccaro.

“We believe that Wall Street and fundamental equity analysts struggle to value fast growing deficit companies accurately.”

His firm, Target QR Strategies, began trading the new strategy, dubbed the Golden Eagle Growth strategy, in May 2020. The focus of the concentrated stock portfolio is what Zuccaro

considers to be the “world’s fastest growing companies.”

Currently at \$34 million of friends and family assets, the fund’s selection process centers on the key variables of high profits growth and new high stock price patterns.

Zuccaro, an early pioneer in developing and trading of quant models, launched his own firm in the 1980s following his role of portfolio manager of the Axe Houghton Stock Fund in 1978, where he began applying quantitative disciplines to stock selection. He has said that he gravitated toward a quant process given the inherent shortcomings in fundamental decision-making.

Target QR today focuses on an aggressive growth strategy. It drills down on annual profits and growth rates of companies with a range of between 46-64% growth.

Zuccaro then uses an eight-step quantitative screening process in stock selection starting with a universe of 4,800 stocks which is winnowed down to a portfolio of the best 25 stocks. Changes in the portfolio are made when profits growth dips below 30% or when a stock fails to make a new high in the next 90 days.

