



ORIGO
CONSULTING

Active Risk Allocation

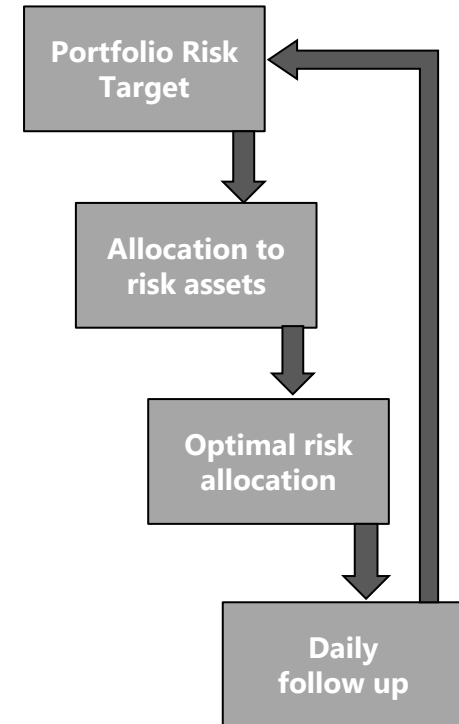
IR portfolio optimisation as per 30 November 2021



ARA optimisation

Summary of process

- Decide on desired portfolio volatility band
 - 3.5-5%, 6-8% or 9-11% target
 - Depending on model input
- Allocate between risk assets and non-risk assets
 - Between 0 and 100% of portfolio may be allocated to risk assets
 - Depending on model input
- Calculate portfolio allocation
 - Allocating assets in a way that no asset class gives a too large risk contribution (almost Risk Parity)
 - Respecting overall volatility target
 - Respecting overall allocation target
- Daily follow up
 - Daily calculation of expected portfolio volatility
 - Daily supervision of OMRI and portfolio risk allocation
 - Corrective action if necessary





ARA optimisation

IR Benchmark (baseline)

IR Medium risk model portfolio

Name	Class	Mid	ETF Proxy
IR Basis		25	Composite
	Aktier-EU	60	XSX6 DE
	Bonds-EU GOV	10	XGLE DE
	Bonds-DK MBS	10	Nyk dmb Composite
	Bonds-HY	15	IHYG DE
	Cash	5	XEIN:GR
IR Favoritter/IR Danske Aktier	Aktier-DK	25	BIKF DC
IR Vækstlande	Aktier-GEM	20	BRIC LN
IR Erhverv	Bonds-HY	10	IHYG DE
IR Højrente	Bonds-HY	15	EMBE LN
Danske obligationer	Bonds-DK	5	NYK DMB Composite
		100	



ARA optimisation

IR portfolio
December 2021

Overweight high yielders
Underweight GEM/EU
stocks(ongoing)

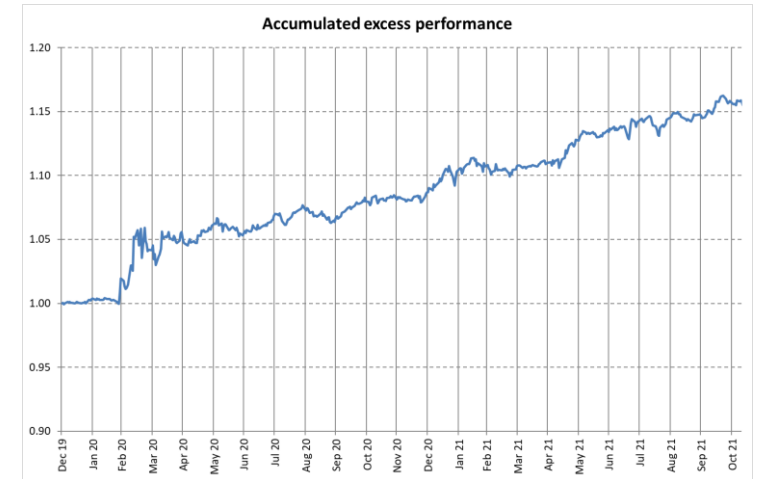
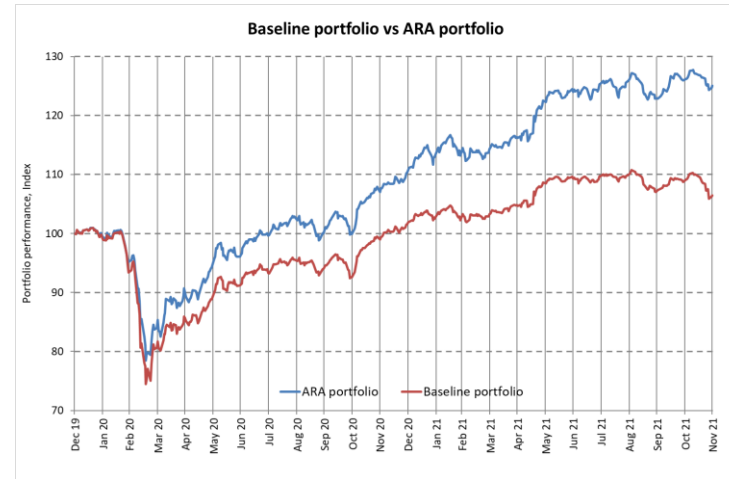
IR model portfolio NEW

Name	Limits used	Allocation	ETF proxy
IR Basis	20%	20%	Composite
IR Danmark	15%	15%	BIKF DC
IR Vækstlande	0%	5%	BRIC LN
IR Erhverv	0%	20%	IHYG DE
IR Højrente	0%	30%	EMBE LN
DK DMB comp	0%	10%	NYK DMB Composite
8.3% vol		100%	



ARA optimisation

IR optimised vs baseline

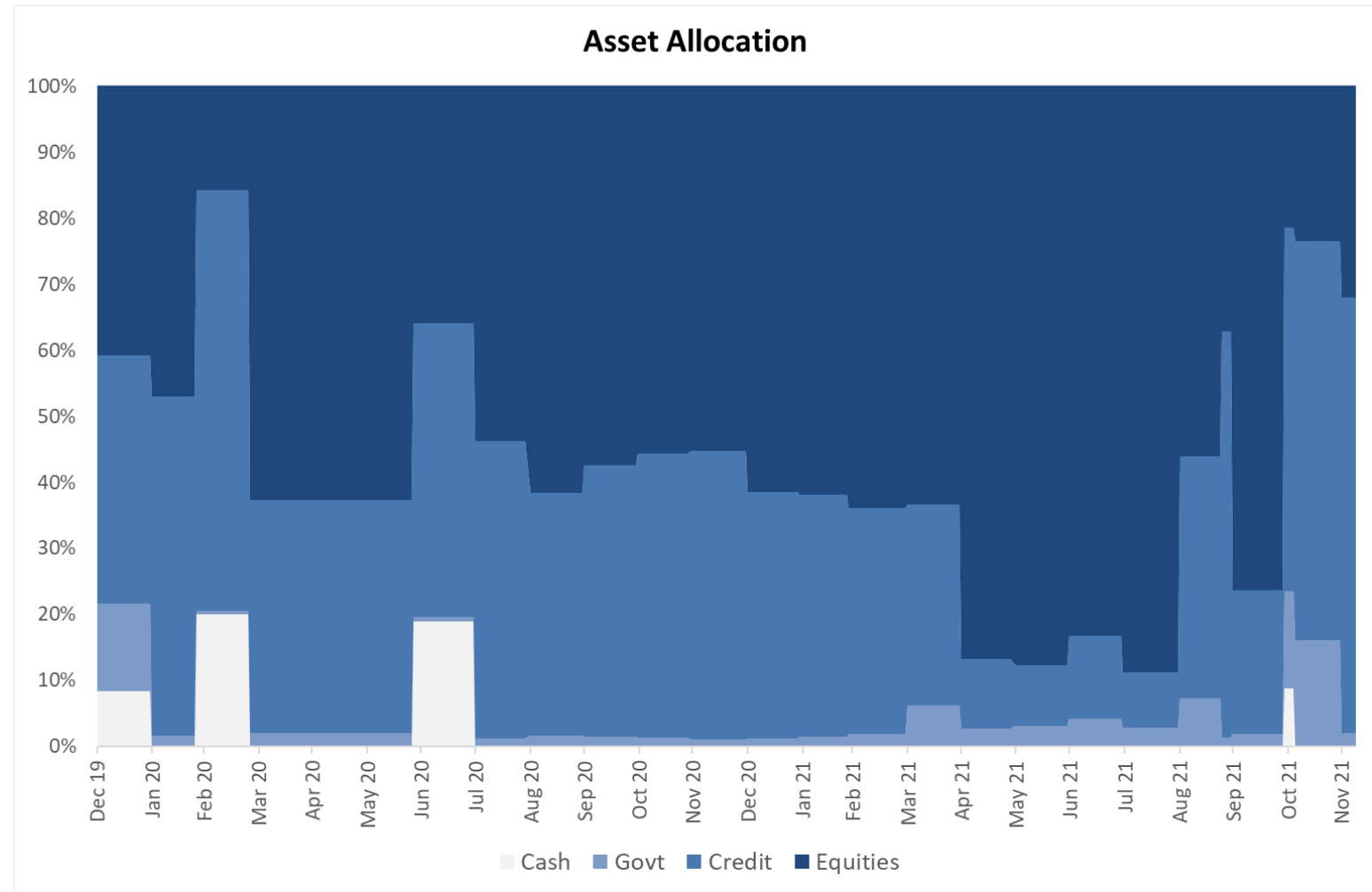


Excess performance



ARA optimisation

Asset Allocation timeline



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