



ORIGO
CONSULTING

Active Risk Allocation

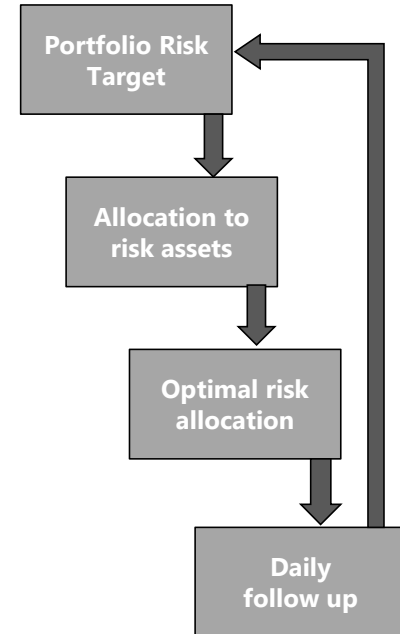
Compact portfolio optimisation

31 August 2023

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



Investment universe



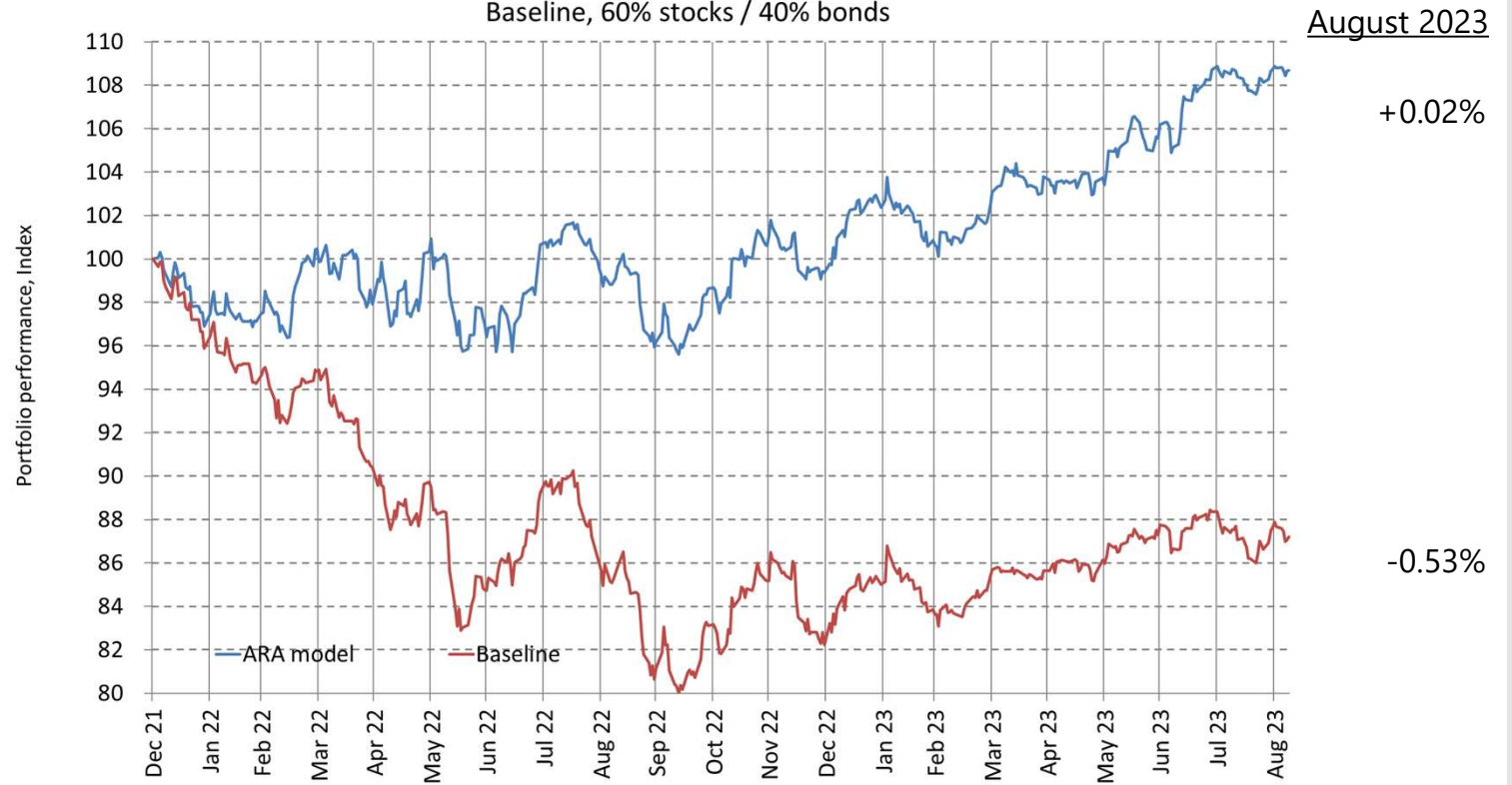
Name	Low	High	Proxy
Cash	0%	30%	Lyxor money market fund
Bonds	25%	65%	
High grade bonds			iShares Euro Aggregate Bond
High yield bonds			iShares iBoxx \$ High Yield Corporate Bond
Emerging market bonds			iShares J.P. Morgan \$ EM Bond EUR Hedged
Investment grade bonds			Investment Grade Corporate Bond
Long bonds			iShares 20+ Year Treasury Bond Hedged
Bond - SHORT			ProShares Short 20+ Year Treasury - SHORT
Stocks	30%	90%	
World			iShares MSCI World EUR Hedged
USA			SPDR® S&P® 500 EUR
Europa			iShares STOXX Europe 600
Global emerging markets			iShares MSCI Emerging Markets
Stock - SHORT			ProShares short S&P500 - SHORT
Alternatives	0%	20%	

Performance



Origo portfolio vs Baseline portfolio

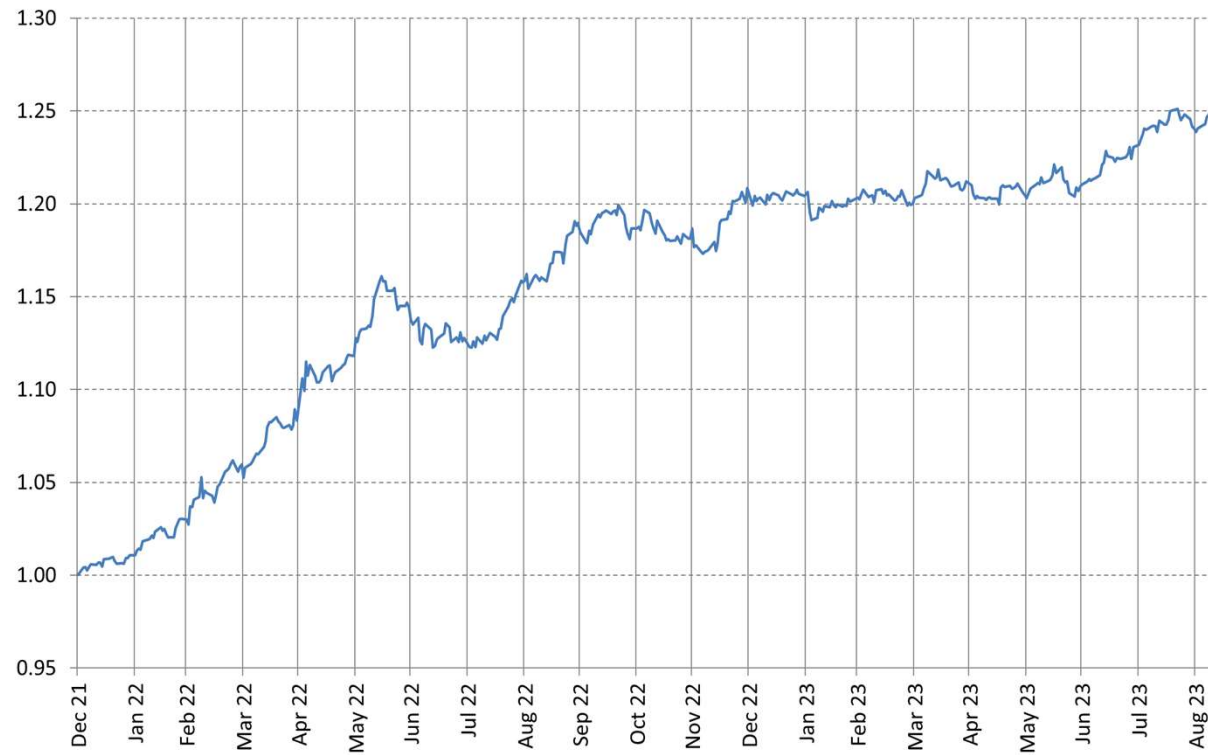
Baseline, 60% stocks / 40% bonds



Performance



Accumulated excess performance
Origo vs 60% stocks & 40% bonds baseline



August 2023

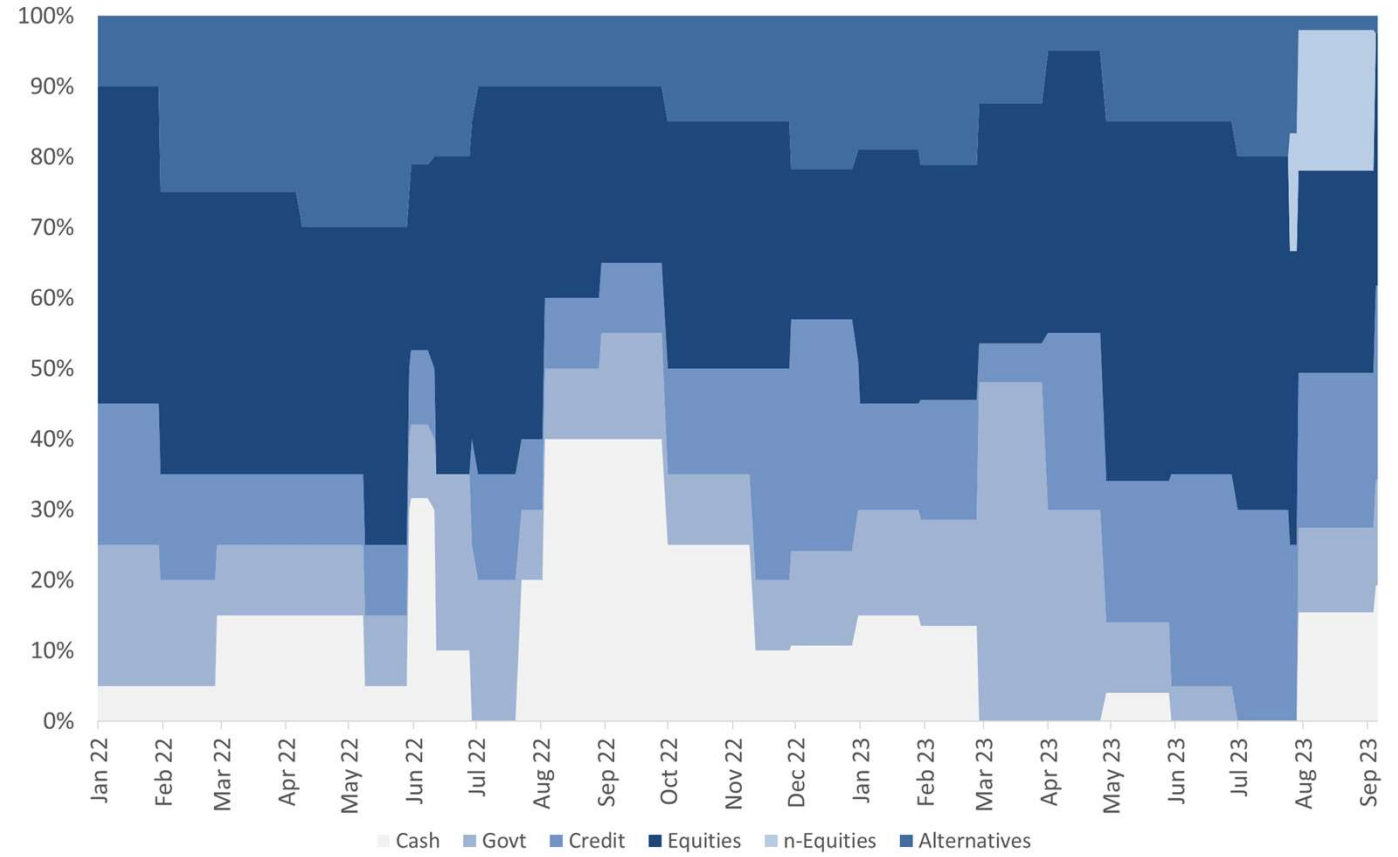
+23.88%

Allocation

Timeline



Asset Allocation






Portfolio

September 2023

Increased portfolio volatility due to higher asset correlation => decrease high risk, increase low volatility and inverse assets

	Suggested 	Allocation	Previous	Change	Proxy
CASH	17%	16%	16%	0%	Lyxor money market fund
BONDS	16%				
		0%	0%	0%	iShares Euro Aggregate Bond
		2%	10%	-8%	iShares iBoxx \$ High Yield Corporate Bond
		0%	0%	0%	iShares J.P. Morgan \$ EM Bond EUR Hedged
		10%	10%	0%	Investment Grade Corporate Bond
		4%	4%	0%	iShares 20+ Year Treasury Bond Hedged
		0%	0%	0%	ProShares Short 20+ Year Treasury - SHORT
STOCKS	38%				
		15%	27%	-12%	iShares MSCI World EUR Hedged
		5%	10%	-5%	SPDR® S&P® 500 EUR
		7%	5%	2%	iShares STOXX Europe 600
		11%	0%	11%	iShares MSCI Emerging Markets
STOCKS - SHOR	15%				
		5%		5%	ProShares short S&P500 - SHORT
		10%	5%	5%	xtracker short STOXX - SHORT
ALTERNATIVES	15%				
		0%	5%	-5%	SPDR Gold Shares
		10%	3%	7%	Commodities
		5%	5%	0%	HFRX Global Hedge Fund Index

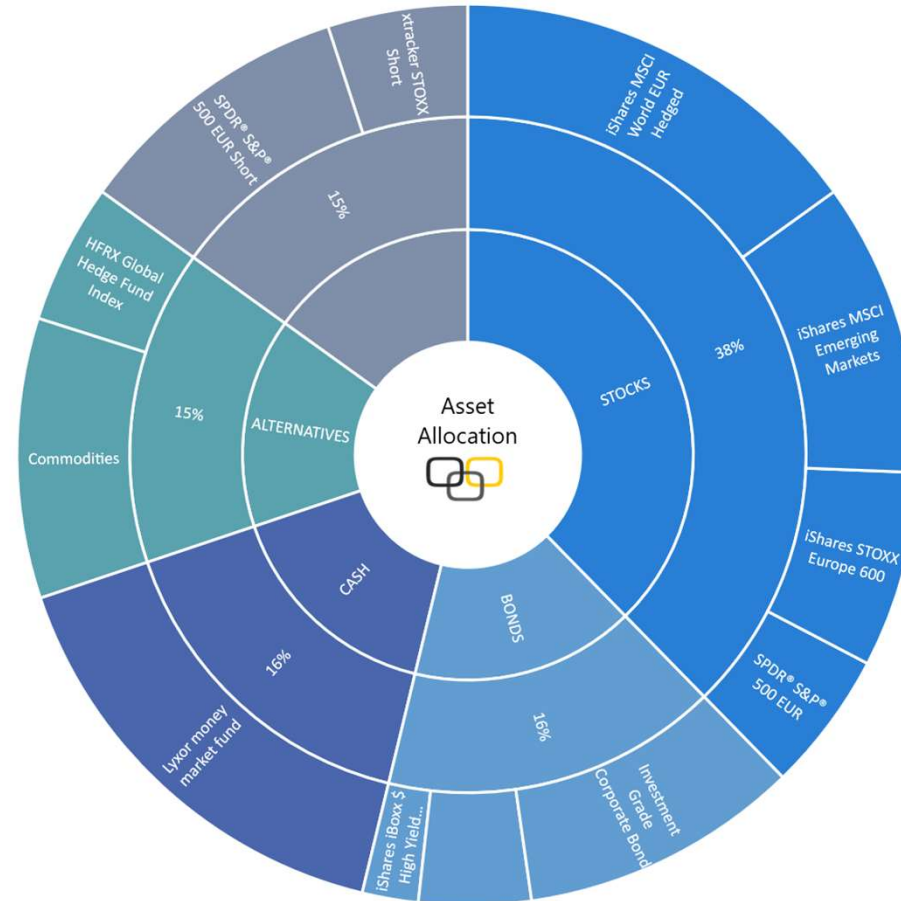


Allocation

- Bonds underweight
- Stocks tactical underweight *)

*) practical application, custodian bank dependent

ORIGO Allocation



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