

Altana Systematic Portfolio Allocation (ASPA)

Investment Philosophy

Even in ordinary conditions, most asset managers consistently underperform relative to benchmarks.¹ In the present environment, this manifest failure of expertise poses a serious challenge for investors. As nearly all asset classes have risen dramatically since 2008, effective asset allocation has become more difficult than ever. Rather than depending on investment advisors who make monthly or quarterly allocation adjustments, investors need nimbler, more robust and more effective solutions – and at a lower cost.

To meet this need we formulated ASPA which generates allocation decisions systematically and in real time using our proprietary I-System technology. I-System is a neural-network based trend following model that's proven effective in identifying key turning points in market cycles. In effect, allocation decisions are informed by the collective wisdom of all market participants and implemented through a set of thoroughly tested rules that remain entirely consistent across market cycles, unaffected by current opinions, narratives or emotion.

Investment Process

Investors can remain fully invested during the bull market cycle but scale back their risk during downturns, thus significantly reducing drawdowns and volatility of returns. By combining systematic trend-following with traditional long-only equity and bond portfolios, ASPA offers a customized, low-cost, all-weather asset allocation process, which offers higher expected returns and lower drawdowns than a typical 60:40 portfolio. From Jan 2007 to Dec 2018 a traditional asset allocation model of 60% equity and 40% bonds would see an increase in performance per annum from 2.86% to 4.01% with risk reduced from 44.5% to 19.2%.

The allocation process is fully transparent without conflicts of interest. We monitor investor portfolios in real time and generate allocation signals based on long and medium-term trend cycles. We trade all major bonds and equity markets including low cost trackers to reduce total client fees.

Key Benefits of ASPA

By applying our set of sophisticated tools to their allocation process in a straightforward way, portfolio managers can gain a number of important advantages:

- Enhanced performance with reduced drawdowns during bear markets.
- Portfolio adjustments in real time based on changing market conditions
- Low cost thanks to reduced operational and research expenses
- Improved flexibility with more liberal cash allocations during uncertain times
- Peace of mind as allocation decisions are based on a fully systematic, tested and documented set of rules that remain consistent across market cycles.

**Financials, Commodities
Strategist**
Alex Krainer

CIO
Lee Robinson

**Proposed investment
vehicle:**
Managed account mandate

Fee structure:
Performance: 0%
Management: 0.2% - 0.4%

**For further information
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¹ 2018 SPIVA U.S. Scorecard – S&P Dow Jones Indices - <https://www.spglobal.com/assets/documents/corporate/us-spiva-report-11-march-2019.pdf>

Altana Systematic Portfolio Allocation (ASPA)

Legal Structure
Structure:
Managed account

General Partner / Manager:
Altana Wealth Limited
(FCA regulated)
Altana Wealth SAM
(CCAF regulated)

Promoter:
Altana Wealth Limited
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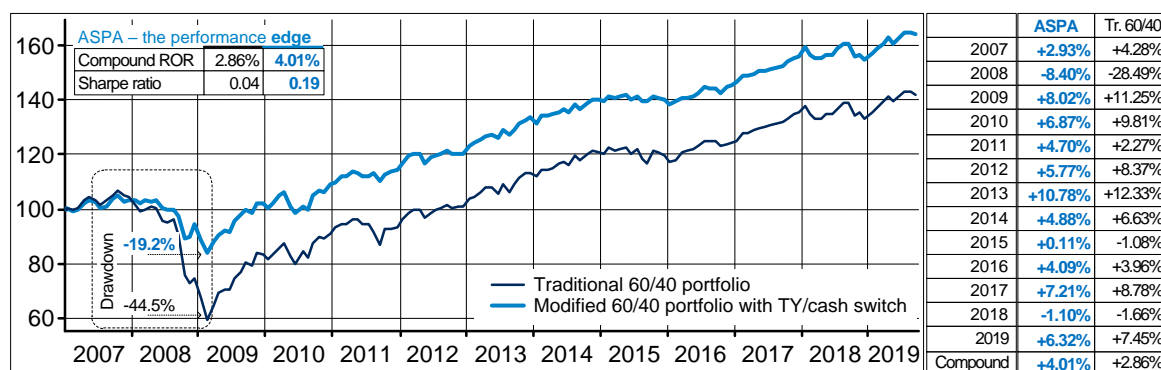
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ASPA Performance Edge

To demonstrate ASPA's long term performance edge we simulated combining a traditional 60/40 equities and bonds portfolio (using the S&P 500 and 10-year US Treasury Notes as proxies) with I-System trend signals:



The simulation was generated applying a simple set of rules. The portfolio was invested between equities, bonds and cash with proportionate asset allocation decided by prevailing market trends:

Prevailing market trends

- Equities, bond prices both in an up-trend
- Equities in a down-trend, bonds in an up-trend
- Equities in an up-trend, bonds in a down-trend
- Equities, bond prices both in a down-trend

Portfolio composition

- 60% equities + 40% bonds
- 30% equities + 70% bonds
- 60% equities + 40% cash
- 30% equities + 70% cash

Bespoke Portfolios

Individual clients have different investment portfolios, objectives and risk appetite. Depending on your needs Altana can apply this approach on a competitively-priced, bespoke basis.

For further inquiries you may contact Alex Krainer – alex.krainer@altanawealth.com

DISCLAIMER:

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